FBIS DAILY REPORT

CONTENTS

East Europe

13 Jul 87 FBIS-EEU-87-133 i

ARMS CONTROL & DISARMAMENT

Polish CSCE Envoy Outlines Socialist Positions BB 1
On CSCE 'Human Dimension' [PAP] BB 1
On NATO Military Document [PAP] BB 1

ALBANIA

Algerian Foreign Minister Arrives for Visit A 1
Received by Carcani A 1
Talks With Malile A 2
Joint Committee Created A 3
Ibrahimi Meets Korbeci A 3
Malile Hosts Dinner A 4
Alia Receives Ibrahimi A 4
Ibrahimi Departs 9 July A 6
Fourth AWP CC Plenum Discusses Plan Performance A 6

BULGARIA

Internal Ministry Comments on Terrorist Incident B 1
Further Reportage on Visit by USSR Chemical Minister B 2
Zhivkov Receives Bespalov B 2
Cooperation Agreement Signed B 2

CZECHOSLOVAKIA

RUDE PRAVO on Implications of U.S. Gulf Policy C 1
[7 Jul]
Further Reportage on Visit by Spanish King C 1
Talks With Chnoupek C 1
[Bratislava PRAVDA 9 Jul]
Husak Gives Dinner Toast C 2
[Bratislava PRAVDA 9 Jul]
Juan Carlos Speaks at Dinner C 4
[Bratislava PRAVDA 9 Jul]
Final Meeting Held C 6
Commentary on Relations [Pycha] C 7
RUDE PRAVO: Seeing Media Work 'In a New Light' C 8
[3 Jul]
Interview on Spread of AIDS Infection C 10
[RUDE PRAVO 2 Jul]

GERMAN DEMOCRATIC REPUBLIC

FRG's BILD Reports Two Youths Shot by Soviets G 1
[Hamburg, 11 Jul]
Honecker Cables FRG's Kohl on Herborn Accident G 1
[NEUES DEUTSCHLAND 9 Jul]

State Council Recommendations on Peasants Congress G 2
[NEUES DEUTSCHLAND 30 Jun]
Briefs: Research Cooperation With Italy G 4

HUNGARY

Lazar, Ligachev Discuss MSZMP-CPSU Cooperation H 1
Marjai Briefs Geneva Forum on Country's Economy H 1
Economic Performance Results for January-May 1987 H 6
[NEPSZABADSAG 8 Jul
Dissidents Criticize Economic Performance H 8
[AFP]
Briefs: Beijing Mayor Visits H 8

POLAND

U.S. Commerce Head Cited on Joint Trade Prospects P 1
[TRYBUNA LUDU 8 Jul]
Tourists Entering SFRY Encounter 'Difficulties' P 2
Customs Imposes High Duties P 2
Warsaw Says 'No Change' in Rules P 3
Glemp Visits Rome, Says Relations on 'Right Track' P 3
[SLOWO POWSZECHNE 7 Jul]
Price, Income Official Describes Reform Guidelines P 4
Council of Ministers Appraises Economic Plan 26 June P 5
[TRYBUNA LUDU 27-28 Jun]
Internal Affairs Issues New Rules on Identity Cards P 8
[TRYBUNA LUDU 6 Jul]
TRYBUNA LUDU Reports Leader Appearances 10-16 June P 9

YUGOSLAVIA

Further Reportage on Visit by Turkey's Halefoglu Y 1
Dizdarevic-Halefoglu Final Talks Y 1
Discusses Relations With Mojsov Y 1
Meets With Mikulic; Departs Y 2
Comments on Conference Proposal [Ankara] Y 3
UN Secretary General Ends 3-Day Visit 12 July Y 3
KOMMUNIST Condemns Alia for Attack on SFRY Y 4
Inflation 'High,' FEC Extends Price Controls Y 4
Briefs: Serbian Court Judge; New Serbian Y 5
Officials; Moslem Leader's Death

POLISH CSCE ENVOY OUTLINES SOCIALIST POSITIONS

On CSCE 'Human Dimension'

LD072049 Warsaw PAP in English 1914 GMT 7 Jul 87

[Text] Vienna, July 7 -- During today's plenary session of 35 delegations from European and North-American countries participating in Vienna meeting of the Conference on Security and Cooperation in Europe, head of the Polish delegation Ambassador Slawomir Dabrowa took the floor and presented results of the meeting of foreign vice-ministers of state-parties to the Warsaw Treaty that took place June 30 in Warsaw.

The head of the Polish delegation held also a press conference at which he said that the intention of socialist countries was to search for common elements in the stands represented by participants of the Vienna meeting.

"The solutions we will reach," said Dabrowa, "should take into account interests of all participants. The same applies to the most difficult problems we face now. This is only possible by means of a compromise. On our part it means taking into account our partners' views on the questions to which they attach most importance. It means taking into account the human dimension of the CSCE process including problems of human rights, human relations, cooperation in the field of information, and the like. We expect similar attitude to be adopted by our partners, and primarily with regard to questions of military aspects of security as well as to the following matters:

-- Increasing the effectiveness of the CSCE principles in the internal legislation of participating states:

-- New impulses and new initiatives in the fields of economy, science, technology and environment: and

-- Convening a conference on the development of humanitarian cooperation in Moscow."

On NATO Military Document

LD102131 Warsaw PAP in English 1921 GMT 10 Jul 87

[Text] Vienna, July 10 -- At the plenary session of delegations of 35 countries-participants of the Vienna CSCE meeting, Portugal's Ambassador Miguel Queiroza de Barros on behalf of the 16 NATO countries presented a document devoted to military aspects of European security. This took place seven months after Poland had submitted at the Vienna '86 CSCE meeting a proposal to so broaden the conference's mandate with regard to confidence and security building measures and disarmament as to enable the conference to [word indistinct] from among representatives of the Warsaw Treaty countries to comment on the West's document was head of the Polish delegation Ambassador Slawomir Dabrowa. Pointing out that such a late presentation of the NATO document resulted in delay in editing the final document, he said the Western proposal would be studied, but even at first glance only it was evident that the NATO document was incomplete. The proposal envisages that the negotiation mandate on troops and conventional armaments reduction will be reflected in the document, but so far in respective passages only elipsis can be found. Naturally, it renders assessment of the document very difficult. Dabrowa recalled that the Warsaw Treaty states submitted a specified draft of such a mandate at the informal "Group of 23" forum.

ALGERIAN FOREIGN MINISTER ARRIVES FOR VISIT

AU081054 Tirana ATA in English 0730 GMT 8 Jul 87

[Text] Tirana, July 8 (ATA) -- At the invitation of the minister of foreign affairs of the People's Socialist Republic of Albania, Reis Malile, the member of the Political Bureau of the Party of National Liberation Front and minister of foreign affairs of the People's Democratic Algerian Republic, Dr. Ahmed Taleb Ibrahimi, arrived on an official visit to our country, on July 7.

He was welcomed at the airport by Reis Malile, minister of foreign affairs, and other officials of the Ministry of Foreign Affairs.

Present were also the ambassador extraordinary and plenipotentiary of the People's Socialist Republic of Albania to the People's Democratic Algerian Republic, Dhimiter Stamo, and the ambassador extraordinary and plenipotentiary of the People's Democratic Algerian Republic to the People's Socialist Republic of Albania, Rachid Haddad.

The minister of foreign affairs of Algeria, Dr. Ahmed Taleb Ibrahimi, said among others to the correspondent of the Albanian Telegraphic Agency: I am very happy to come to Albania, in this country with which we maintain close historic ties we admire the struggle of the Albanian people for freedom and independence, that is also common characteristic of our two peoples. He pointed out that recently, important personalities of our two countries have exchanged many visits and wished that his visit too serve the further strengthening of the relations between Algeria and Albania in the political and economic fields. In this context he stressed that the creation of a joint commission will serve as a privileged instrument to strengthen the economic relations between the two countries. The minister of foreign affairs of Algeria transmitted to the Albanian people and leader Ramiz Alia the fraternal sentiments of the Algerian people and President Chadli Bendjedid.

Received by Carcani

AU091008 Tirana ATA in English 0730 GMT 9 Jul 87

[Text] Tirana, July 9 (ATA) -- The chairman of the Council of Ministers of the PSR of Albania, Adil Carcani, received the minister of foreign affairs of the People's Democratic Algerian Republic, Dr Ahmed Taleb Ibrahimi, at the seat of Council of Ministers on July 8.

During the meeting, which passed in a cordial atmosphere, Comrade Adil Carcani pointed out the successful development of the close and friendly relations between Albania and Algeria and expressed the desire that they expand and strengthen further. He expressed the sympathy that the Albanian people nurture for the heroic struggle the fraternal Algerian people have waged for their national liberation and hailed their successes in the development and progress of the country and the preservation and consolidation of national independence.

Comrade Adil Carcani told the friend from Algeria of the successes attained in our country, of the perspectives opened by the 8th Five Year Plan, the efforts of the working masses to strengthen and make more prosperous our socialist homeland.

The minister of foreign affairs of Algeria, Dr. Ahmed Taleb Ibrahimi, expressed the feelings of respect and love of the Algerian people for the fraternal Albanian people. He evaluated the successes of the Albanian people attained relying on their own forces and this, he said, is a great lesson for us and the other peoples. The Algerian minister expressed the pleasure that the relations between our two countries have assumed a notable development, as well as the desire that they progress further to the benefit of our two friendly peoples and countries.

Attending the meeting were also the secretary general of the Council of Ministers, Gjon Gorishtim and the vice minister of foreign affairs, Muhamet Kapllani.

Present were also the ambassador extraordinary and plenipotentiary of Albania in Algiers, Dhimiter Stamo, and the ambassador extraordinary and plenipotentiary of Algeria in Tirana, Rachid Haddad.

Talks With Malile

AU091015 Tirana ATA in English 0745 GMT 9 Jul 87

[Text] Tirana, Jul 9 (ATA) -- The talks between the minister of foreign affairs of the PSR of Albania, Reis Malile, and the minister of foreign affairs of the People's Democratic Algerian Republic, Dr. Ahmed Taleb Ibrahimi, were over at the Ministry of Foreign Affairs on July 8.

During the talks which were characterized by a cordial spirit, it was highly evaluated the close traditional friendship between the Albanian people and the Algerian people and it was expressed the pleasure that the friendly ties and cooperation between the two countries in different field are developed and strengthened continuously to the common benefit.

Both ministers pointed out that the very fruitful contacts established between Albania and Algeria and the mutual visits have made possible the elevation of the level of the political relations between the two countries. They expressed the common will and desire that the bilateral relations in the field of trade, culture, science, technique and other fields develop further, something which contributes to the mutual benefit and the peace in the region of the Meditteranean.

Exchanging opinions on some problems of the international situation they dwelt especially on the situation in the Middle East, in the region of the Mediterranean, in the Balkans, in Europe, etc. Both ministers reaffirmed their complete support for the just struggle of the Palestinian people and underlined that there can be no solution of the question of the Middle East without the solution of the question of Palestine.

They expressed their resolute back up for the struggle and efforts of the other Arab peoples in defence of their national freedom and sovereignty against the imperialist-Zionist agression and expansion. Besides, they voiced the right of the Saharan people for self-determination.

Attending the talks were also the ambassador extraordiary and plenipotentiary of the PSR of Albania in Algiers, Dhimiter Stamo, and the ambassador extraordinary and plenipotentiary of the People's Democratic Algerian Republic in Tirana, Rachid Haddad.

Joint Committee Created

AU091020 Tirana ATA in English 0750 GMT 9 Jul 87

[Text] Tirana, July 9 (ATA) -- The agreement on the creation of the joint Albanian-Algerian committee on the economic, scientific, technical and cultural cooperation between the People's Socialist Republic of Albania and the People's Democratic Algerian Republic was signed.

Present in the signing ceremony were the vice chairman of the Council of Ministers, Hekuran Isai; the minister of education, Skender Gjinushi; the chairman of the Committee of Science and Technique, Ajet Ylli; the vice minister of Foreign Trade, Fajtim Ajazi, and other comrades.

For the Albanian side the agreement was signed by the minister of foreign affairs, Reis Malile, and for the Algerian side by the minister of foreign affairs, Dr. Ahmed Taleb Ibrahimi.

Attending were also the ambassador extraordinary and plenipotentiary of the PSR of Albania in Algiers, Dhimiter Stamo and the ambassador extraordinary and plenipotentiary of the People's Democratic Algerian Republic in Tirana, Rachid Haddad.

According to the agreement, the joint Albanian-Algerian Committee on the Economic, Scientific, Technical and Cultural Cooperation will implement the orientations set by the two governments regarding the bilateral relations in the economic, trade, technical and cultural fields. It will examine the execution of the agreements signed or that may be signed in these fields and will find out new possibilities to increase the trade exchanges and intensify the economic, scientific, technical and cultural cooperation between the two countries.

Ibrahimi Meets Korbeci

AU091023 Tirana ATA in English 0800 GMT 9 Jul 87

[Text] Tirana, July 9 (ATA) -- Shane Korbeci, minister of foreign affaris, received the minister of foreign affairs of Algeria, Dr. Ahmed Taleb Ibrahimi, on July 8 and had a warm and friendly talk with him. They exchanged views on the ways and possibilites of further developing the trade relations between Albania and Algeria.

Likewise, the minister of education, Skender Gjinushi, had a warm meeting with the minister of foreign affairs, Dr. Ahmed Taleb Ibrahimi, where they spoke on the possiblities existing to intensify the cooperation between the two countries in the field of education and science.

In the afternoon, the minister of foreign affairs of Algeria visited the "Albania Today" exhibition, he highly evaluated the transformations that have taken place in Albania in all the fields of life, the achievements in the industry, agriculture, etc.

Then he went to the Museum of National History, where he got acquainted with the ancient and modern history of the Albanian people, their struggle and efforts for freedom and independence, the liberation of the homeland and the triumph of the people's revolution.

The minister of foreign affairs of Algeria, Dr. Ahmed Taleb Ibrahimi, wrote a note on the visitor's book, which says among others: "I am happy to visit this magnificent museum, that reflects the glorious history of Albania, the efforts of its people to preserve the national independence and sovereignty, the construction of the country self-reliantly. I wish the Albanian people greater successes."

Likewise, the minister of foreign affairs of Algeria visited the figurative arts exhibition, where he got acquainted with the vigorous development of painting, sculpture, and applied arts.

During these visits he was accompanied by Muhamet Kapllani, vice minister of foreign affairs.

Malile Hosts Dinner

AU081056 Tirana ATA in English 0750 GMT 8 Jul 87

[Text] Tirana, July 8 (ATA) -- Reis Malile, minister of foreign affairs gave a dinner in honour of the minister of foreign affairs of the People's Democratic Algerian Republic, Dr. Ahmed Taleb Ibrahimi, and the persons accompanying him.

Attending were Hakuran Isai, vice-chairman of the Council of Ministers; Shane Korbeci, minister of foreign trade; Skender Gjinushi, minister of education; Themie Thomai, minister of agriculture; Aleks Buda, president of the Academy of Sciences; Sofokli Lazri, director of the International Relations Study Institute; Leandro Zoto, chairman of the Executive Committee of Tirana District People's Council, as well as officials of different departments and institutions of the capital.

During dinner greetings were exchanged and toasts were raised to the friendship between the Albanian and Algerian peoples as well as to the further development of relations between our two friendly countries.

The dinner passed in a warm and friendly atmosphere.

Alia Receives Ibrahimi

AU101425 Tirana ATA in English 0730 GMT 10 Jul 87

[Text] Tirana, July 10 (ATA) -- On July 9, before noon, Comrade Ramiz Alia, first secretary of the Central Committee of the party and President of the Presidium of the People's Assembly received the member of the Political Bureau of the Party of the National Liberation Front and minister of foreign affairs of the People's Democratic Algerian Republic, Dr. Ahmed Taleb Ibrahimi.

Attending the reception was Reis Malile, minister of foreign affairs. Present was also the ambassador extraordinary and plenipotentiary of the PSR of Albanian in Algiers Dhimiter Stamo and the ambassador extraordinary of the People's Democratic Algerian Republic in Tirana Rachid Haddad.

Comrade Ramiz Alia had a warm and friendly talk with the friend from Algeria.

We are very familiar with the Algerian comrades, said Comrade Ramiz Alia, because history, the struggle and efforts for freedom and independence and the development of the countries of our two peoples unite us.

I am very happy to meet and talk with you, said the Algerian minister. I want to say that my visit to Albania was very valuable and I think it will serve the further strengthening of the relations between our two countries. The Alergian minister conveyed to Comrade Ramiz Alia the cordial greetings of the President of the People's Democratic Algerian Republic Chadli Bendjedid, who received me before leaving for Albania.

During the talk Comrade Ramiz Alia expressed the sentiments of love and sympathy our people cherish for the fraternal Algerian people, the struggle they have waged for the freedom and independence of their homeland, the work and efforts for the construction of the country. Likewise, he underscored the respect of the Albanian people for all the Arab peoples, who are ancient peoples with vitality, who with their culture and knowledge have made a great contribution to mankind, and expressed the resolute support for their struggle in defense of freedom and national sovereignty against imperialist-Zionist aggression and expansion. We, said Comrade Ramiz Alia, support the martyred Palestinian people that fight and make sacrifices as well as the Saharian people for their rights for self-determination.

Speaking on the close relations existing between our country and Algeria, he stressed that the possibilities of intensifying these relations in different fields are greater. The more the peoples get acquainted with one another, the better the progress and development of their countries. In this context, Comrade Ramiz Alia stressed, the constant contacts and talks are instigation to further cement the friendly relations between Albania and Algeria and to open fresh perspectives to them. Then, Comrade Ramiz Alia spoke to the friend from Algeria on the great work being done by our people for the socialist development and progress of the country, pointing out that the party and Comrade Enver Hoxha have always put the interests of the people before everything.

On his part, Dr. Ahmed Taleb Ibrahimi expressed the feelings of love of the Algerian people for the Albanian people and said that we do never forget the support of your people during our national liberation war. Our two peoples, he said, are jealous of their freedom and independence, and then spoke of the work done in Algeria for the further progress of the country.

Comrade Ramiz Alia, dwelling on some problems of the international situation, spoke also on the principled foreign policy of our party and state, serving the preservation of the freedom and independence of the homeland and responds to the aspirations of the peoples to live free and independent. Stressing once again the sentiments of love and sympathy for the fraternal Algerian people, he thanked the Algerian minister of foreign affairs for the warm words and the expressed assessments for our people and country in this reception and at the meetings and talks during his visit to Albania. Comrade Ramiz Alia expressed to him his greetings for the president of the People's Democratic Algerian Republic Chadli Bendjedid, for the Algerian leadership and people.

Ibrahimi Departs 9 July

AU101426 Tirana ATA in English 0841 GMT 10 July 87

[Text] Tirana, July 10 (ATA) -- Dr. Ahmed Taleb Ibrahimi, member of the Political Bureau of the Party of the National Liberation Front and minister of foreign affairs of the People's Democratic Algerian Republic wound up his official visit and left our country on July 9.

He was seen off at the airport by the minister of foreign affairs of the PSR [People's Socialist Republic) of Albania, Reis Malile, and other functionaries of the Ministry of Foreign Affairs, who wished a good journey to the friend from Algeria.

Present were also the ambassador extraordinary and plenipotentiary of the People's Socialist Republic of Albania to the People's Democratic Algerian Republic, Dhimiter Stamo, and the ambassador extraordinary and plenipotentiary of the People's Democratic Algerian Republic to the People's Socialist Republic of Albania, Rachid Haddad.

FOURTH AWP CC PLENUM DISCUSSES PLAN PERFORMANCE

AU101426 Tirana Domestic Service in Albanian 1330 GMT 10 Jul 87

[Communique on Fourth AWP Central Committee Plenum]

[Text] The Fourth AWP Central Committee Plenum met on 9-10 July 1987 under the chairmanship of Comrade Ramiz Alia, first secretary of the AWP Central Committee.

Comrade Vangjel Cerrava, AWP Central Committee Politburo candidate member and deputy chairman of the Council of Ministers, delivered a report on behalf of the Politburo on the fulfillment of the plan for the first 6 months and on some problems and tasks pertaining to the fulfillment of the 1987 plan. The plenum discussed this problem broadly.

Comrade Ramiz Alia, first secretary of the AWP Central Committee, also addressed the plenum at the end.

The Fourth AWP Central Committee Plenum

Tirana, 10 July 1987

INTERNAL MINISTRY COMMENTS ON TERRORIST INCIDENT

AU102051 Sofia Domestic Service in Bulgarian 1930 GMT 10 Jul 87

[Interview with Yordan Ormankov, official spokesman of the Ministry of Internal Affairs, by unidentified interviewer, broadcast on Bulgarian television "this evening," concerning the terrorist act at the Zlatni Pyasutsi tourist resort reported on 9 July -- recorded]

[Text] [Question] BTA, the Television and Radio Committee, and the mass media have received a number of inquiries concerning the development and conclusion of the terrorist incident that was reported on 9 and 10 July. What new data can you add to the information known.

[Ormankov] As was already stated in the BTA announcement, the matter concerns a brutal and hazardous terrorist act perpetrated by a group of individuals who had previously committed grave criminal acts. The criminals Antonov (as heard), Nikolov, and Asenov equipped themselves by illegal means with dangerous explosive substances and products, namely live grenades. Making use of a car that they obtained by deception in the area of the city of Tolbukhin, they forcibly kidnapped two children they knew, the schoolboys Nikolay Petrov and Darin Khristov, after which they set off for the Zlatni Pyasutsi tourist resort. At 1540 on 8 July they exploded three grenades in front of the International Hotel and injured three people. Thanks to the emergency medical attention provided, risk to the life and health of the citizens injured by the explosion was eliminated.

[Question] The BTA announcement states that measures were taken to eliminate the existing danger to the life and security of the vacationers at the resort. What specifically did these measures comprise?

[Ormankov] The citizens who had come within the range of the terrorists were immediately removed to a safe distance. The district was cordoned off by forces of the Ministry of Internal Affairs. Ministry officials immediately established contact and began talks with the terrorists, trying to bring them outside the area of the health resort. Specialized antiterrorist units of the ministry were brought into action.

[Question] How can one, or should one, conduct negotiations with people who have placed themselves outside the law?

[Ormankov] Not negotiations, but one must not forget that two children were in the car, whose lives were in direct and real danger. At any moment they might have suffered tragic, irreparable harm as a result of the brutal villainous intentions of the criminals. Behaving recklessly and counting on their own safety, thanks to the presence of the children tied up in their car, the kidnappers brandished grenades with the pins pulled out and attempted to impose their will. Guided by the most humane considerations, to save the lives of the child hostages, the officials of the Ministry of Internal Affairs, in fulfillment of their duty, did everything possible in order to persuade the kidnappers to abandon their criminal intentions to kill the children, and at the same time not permit any additional actions that might endanger the lives of our citizens. Over a period of more than 25 hours numerous talks were held on many occasions. The closest members of the families of the kidnappers took part in some of the talks in order to assist in persuading them to voluntarily give up the completion of the crime and to release the children. Despite this, the terrorists continued to behave irresponsibly, rejecting possible solutions for a sensible, humane conclusion of the incident. After all possibilities were exhausted, the terrorists were surrounded by antiterrorist units of the Ministry of Internal Affairs and categorically set conditions to surrender.

The terrorists hurled grenades at the employees of the Ministry of Internal Affairs. The specialized antiterrorist units immediately took the necessary actions, resulting in two of the terrorists being killed on the spot, and the third dying today from his wounds. At risk to their own lives, the employees of the Ministry of Internal Affairs rescued the children, who are now under medical care. As a result of the explosion of one of the terrorists' grenades, the left leg of Darin Khristov was seriously injured, and amputation may be necessary.

[Question] How do you assess the incident and the actions taken to end it?

[Ormankov] This incident and others of this kind cannot be assessed in the same way. We consistently and categorically condemn terrorism in all its manifestations and forms, irrespective of its motives and aims, because it represents an attempt on man's most valuable possession, his life and health. Terrorism is particularly vile and revolting when its victims are defenseless children. There is no civilized country in the world that does not place terrorists outside the law or permit itself to be blackmailed and the people's life and health to be threatened.

FURTHER REPORTAGE ON VISIT BY USSR CHEMICAL MINISTER

Zhivkov Receives Bespalov

AU101457 Sofia BTA in English 1417 GMT 10 Jul 87

[Text] Sofia, July 10 (BTA) -- Today Mr Todor Zhivkov, secretary general of the CC of the BCP and president of the State Council, received Mr Yuriy Bespalov, minister of the chemical industry of the USSR. The talks centred on the ways for raising technological, investment and market integration between the chemical industries of the two countries to a new level. They paid attention to the necessity of creating conditions and prerequisites for the accelerated structural and technological innovation, especially in the priority trends as well as to the possibilities for stabilizing some of the capacities in this field. The two sides expressed the unanimous assessment that the raising of the efficiency of joint work should be sought in the construction of joint enterprises and the use of other joint forms of communication.

Cooperation Agreement Signed

AU101459 Sofia BTA in English 1344 GMT 10 Jul 87

[Text] Sofia, July 10 (BTA) -- Mr Petko Danchev, president of the Biotechnological and Chemical Industry Association, and Mr Yuriy Bespalov, the Soviet minister of chemical industry, signed a document reflecting the positive results achieved in bilateral cooperation in the field of chemical industry and outlining new trends for its further accelerated promotion, the upgrading of integration ties to a qualitatively new level on the basis of techno-scientific progress.

Future efforts will be concentrated primarily on the building of new and extending existing production facilities. The technological renovation, updating, remodelling and electronization of the facilities will be carried out through seeking joint solutions to engineering and technological problems. This will help introduce a number of new technologies into production, cut the consumption of energy, and fulfill ecological tasks. Importance is also attached to production specialisation and cooperation by means of which the two countries' requirements of chemicals will be more fully satisfied. The document envisages the establishment of new bilateral associations.

RUDE PRAVO ON IMPLICATIONS OF U.S. GULF POLICY

AU101604 Prague RUDE PRAVO in Czech 7 Jul 87 p 7

[Milan Jelinek commentary in the "Note" column: "Detonator in the Persian Gulf"]

[Text] The Soviet Government has issued a statement in which it points out that events in the Persian Gulf are "approaching a dangerous threshold, beyond which the regional conflict could grow over into a critical international situation. This is a warning statement which must not remain without an appropriate echo. A drawn-out Iranian-Iraqi war is raging in the area; international shipping is being disrupted on what has already become a regular basis; and on top of all that an American war fleet has appeared in the area and is daily increasing in power. It is this American attitude to the problem which currently evokes increasing concern.

On the one hand, American diplomats are traveling all over the world, declaring that the United States is trying to raise support for a political solution and on the other hand the United States is assembling considerable striking power of warships, aircraft, and soldiers around the Gulf. The stands of the White House show the same contradictions, which are almost staggering in their consequences. The White House was secretly but vigorously trading arms with Iran only a short while ago; now it is talking of the possibility of a mutual military conflict. One can scarcely find a political concept in this, although one is obviously offered by a glance at the current situation. The United States is placing itself, by its own efforts, in a situation in which a chance military incident (such as a missile fired against an American ship) could set off a chain reaction.

The USSR is proposing immediate withdrawal of all warships from the area, calling for the removal of the detonator of a possible crisis; Iraq and Iran must refrain from disrupting naval shipping; and all these measures must be included in an overall political settlement of the Iranian-Iraqi conflict. This is undoubtedly a sensible proposal, which could have a hope of succeeding if the sides involved proceed jointly. Soviet willingness in this respect is clear; but the essential thing is the constructive contribution of others, and first of all of the United States. However, were the United States to continue the threatening escalation of military tension around the Persian Gulf, there would be the threat of a crisis breaking out, with all the international connections and consequences we so justly fear.

FURTHER REPORTAGE ON VISIT BY SPANISH KING

Talks With Chnoupek

AU101628 Bratislava PRAVDA in Slovak 9 Jul 87 pp 1, 2

[CTK report: "Spain's King Juan Carlos I and Queen Sophia on an Official Visit to the CSSR"]

[Excerpts] Prague (CTK) -- Juan Carlos I, king of Spain, and Queen Sophia began their official visit to Czechoslovakia, which is taking place at the invitation of CSSR President Gustav Husak, yesterday [8 July].

The special aircraft with the distinguished guests and their entourage landed in Prague shortly before noon. [passage omitted] CSSR President Gustav Husak stepped out to meet King Juan Carlos I and Queen Sophia. After cordial handshakes and a welcome of flower bouquets, presented by girl pupils from Prague's schools, Gustav Husak presented to the royal couple Lubomir Strougal, CSSR premier; Alois Indra, chairman of the CSSR Federal Assembly; Ladislav Adamec, premier of the Czech SR; and the Czechoslovak figures who will be accompanying the king and queen during their stay in Czechoslovakia. [passage omitted]

On the same day, Bohuslav Chnoupek and Francisco Fernandez Ordonez, ministers of foreign affairs of the CSSR and Spain respectively, met in the Cernin Palace for a working session. They stated that the historical visit of King Juan Carlos I and Queen Sophia to Czechoslovakia is a symbol of the high level of Czechoslovak-Spanish relations and a mutual contribution which can play a significant role in reviving the policy of detente and of broad international cooperation. In talking about bilateral issues, they concentrated on assessing the fulfillment of the conclusions which followed from the deliberations conducted by the two ministers in Madrid in May 1987. They expressed complete satisfaction with the fulfillment of their results in all spheres. They particularly underscored the significance of the visit paid by Bohumil Urban, CSSR minister of foreign trade, to Spain, and both sides' resolve to increase mutual trade by 20 percent annually, so as to double its total volume by the year 1990. During their talk the two ministers also exchanged views on the current international situation, emphasizing the new phenomena and prospects of disarmament negotiations. They affirmed the proximity and identity of their views on key issues of international politics, and above all the common effort for disarmament and a world without nuclear arms, and against armament on earth and in outer space. In this context Minister Francisco Fernandez Ordonez underscored that a less armed world is a more secure world. At the same time he affirmed Spain's stand in favor of accelerating the conclusion of an agreement on medium-range and operational-tactical missiles. [passage omitted]

Husak Gives Dinner Toast

AU101634 Bratislava PRAVDA in Slovak 9 Jul 87 p 2

[CTK report on speech delivered by CSSR President Gustav Husak at the festive dinner in honor of King Juan Carlos I of Spain and Queen Sophia at Prague Castle on 8 July: "Interest in the All-Round Development of Relations"]

[Text] Permit me, on behalf of the Czechoslovak people and their government, and on my own behalf, to cordially welcome in Czechoslovakia the head of the Spanish state, King Juan Carlos I, Queen Sophia, and their entourage.

Your visit is the culmination of Czechoslovak-Spanish cooperation since the reopening of diplomatic relations 10 years ago. This period has proved the mutually beneficial nature of our relations, the possibilities of comprehensively developing them further, and also their ability to contribute to the consolidation of peace and cooperation in Europe, and in the world.

We are following up this fruitful cooperation at present. We are developing it in the spirit of the policy of peaceful coexistence of states with different social systems, for the benefit of both countries. This was also confirmed during our businesslike and constructive talks today.

They showed that, in developing our political collaboration and our dialogue, we can lean on the good results of a number of deliberations between Czechoslovak and Spanish representatives, conducted both in Prague and in Madrid.

Our mutually beneficial economic cooperation is an important factor which is stabilizing the contacts between our countries. During our talks we have come to realize that there is bilateral interest in their future intensification, and also opportunities for doing so. This particularly applies to a better utilization of such forms as industrial cooperation, joint ventures, and copartnership on third markets.

A significant role in our relations is played by the multifaceted exchange of cultural values. We are organizing mutual weeks of culture, developing friendly relations between universities, and maintaining good cooperation between the movie industries and other sectors. Despite this, we believe that our mutual cooperation in this sphere could be richer, and the contacts more frequent.

It also followed from today's talks that the approaches maintained by our two countries to the most burning problems of the present have a lot in common. We agree on essential things -- on the conviction that it is imperative to exclude war from the life of mankind once and for all and to ensure a peaceful life for present and future generations.

In this we in Czechoslovakia proceed not only from our own historical experience, but above all from the realities of the nuclear and space age which demand resolute new steps to ensure peace. We are energetically promoting our peace initiatives and participating in the development and realization of the joint peace initiatives of the socialist countries, which are aimed at consolidating international security and establishing an atmosphere of trust in relations between states and nations. We also support all constructive proposals of other countries which have the same goal in mind.

We regard the program proposed by the Soviet Union to totally eliminate all nuclear arms and other means of mass destruction by the end of the present century as the basic issue and only road toward real peace. We are now being offered a historic chance to take the first practical steps toward realizing this program, to conclude agreements on the elimination of all American and Soviet medium-range and operational-tactical missiles in Europe. This would simultaneously open the possibility of also attaining progress in other disarmament negotiations.

The establishment of nuclear and chemical weapon-free zones in central Europe, as Czechoslovakia and the GDR proposed to the FRG Government, would also contribute toward lowering the level of military confrontation and enhancing trust on our continent. The same aim is pursued by the Budapest appeal, in which Czechoslovakia, together with its allies in the Warsaw Pact, submitted a proposal to negotiate a substantial reduction of armed forces and conventional armaments on Europe-wide scale, together with that of tactical nuclear devices. We express the hope that it will be possible to agree on a mandate for these negotiations in the near future, within the framework of the Vienna follow-up meeting.

On the issues of military security our course has a strictly defensive character; we proceed from the fact that under the present conditions a military solution of any and all controversial problems is inadmissible. This was again stressed in the document on the military doctrine of the Warsaw Pact states adopted at the recent session of the pact's Political Consultative Committee in Berlin.

We are deeply convinced that, in order to ensure a firm and lasting peace, it is essential for all states to participate in setting up a comprehensive system of international security which would include the economic, humanitarian, and ecological spheres. That is why we respect Spain's stands and its contribution to disarmament negotiations, to the development of the all-European process, and to the consolidation of the system of security and cooperation on our continent and in the world.

In conclusion, permit me to again express appreciation for the relations of friendship and cooperation between the CSSR and Spain, and to express the conviction that your present visit will contribute toward their further comprehensive flourishing. We are interested in consolidating and developing the existing good cooperation results on the basis of mutual trust, respect, equal rights, and understanding.

Permit me to raise my glass and drink to your health, to the happy present and future of the Spanish people, to the consolidation of peace and cooperation in Europe, to the further successful development of Czechoslovak-Spanish relations, to the health of all those present here.

Juan Carlos Speaks at Dinner

AU101726 Bratislava PRAVDA in Slovak 9 Jul 87 p 2

[CTK report on speech by Juan Carlos I, the king of Spain, at the gala dinner given in his honor by CSSR President Gustav Husak in Prague on 8 July]

[Text] On the Queen's and on my own behalf I wish to thank you for your kind words, as well as for the warm reception accorded to us during our first visit to Czechoslovakia, and to express our pleasure at the opportunity to get to know Prague -- this beautiful historic city.

In the course of history our countries have been united many times by a joint mission in molding Europe's identity. The Spanish reconquista [Spanish word used] and the Czechoslovak people's struggle for independence are examples of this kinship, examples whose concrete episodes are the many points of contact in our common past: It is enough to mention the alliance between King Premysl Otakar II and King Alfons X of Castilia; the journey of Podebrady's delegation headed by Lev of Rozmital to the Pyreneean peninsula with a message of peace by King George; or Ferdinand I of Habsburg, the descendant of Catholic kings, taking up the Czech throne.

In the 15th century, when the Kingdom of Bohemia was the driving force in central Europe, Spain entered history by discovering the American Continent, a deed which enabled Europe to establish contacts with nations and civilizations until then unknown, and gave man and the world a new dimension.

In 5 years, in 1922, we will celebrate the 500th anniversary of that great event with world exhibition in Seville. Spain would consider it a great honor if Czechoslovakia would participate in this important event. The exhibition, which at the same time will stress the importance of the discovery of America for Europe, could thus become a new impetus for our countries' further cooperation.

Our nations' contribution to the cultural legacy of Europe deserves a special mention. Salamanca University was founded in the 13th century, and Prague's Charles University in the 14th century. They are among the most important in Europe, something which is the reflection of the contribution which these centers of knowledge, founded at the peak of Renaissance, represent for European science.

In the course of the time, our two nations have contributed to the creation of some indelible characteristic features which, regardless of the different social and economic systems, characterize not only the geographical, but also the cultural entity called Europe.

Spain is today a democratic state, founded on respect for individual and collective freedoms and on full political participation, which is trying to strengthen peaceful coexistence and achieve an ever higher level of the indicators of economic development and social well-being.

Spain became an EEC member with equal rights last year, and following the will of the Spanish people it has decided to remain in NATO under the conditions proposed by the government. Spain maintains fraternal relations with the Latin American countries, with which we are united by profound bonds of culture and nationality [narodnostne]. Apart from that, Spain plays an important role in the Mediterranean, something which forces us to wage a determined struggle for this region again to become a center of culture and prosperity, and not a hotbed of tension.

We are equally convinced that cooperation among countries with different social systems is not only possible, but also inevitable for coexistence based on mutual respect and oriented toward the consolidation of international order.

In the UN and at other international forums Spain therefore favors the strengthening of trust and detente, and the highest objectives of its foreign policy are peace, security, and cooperation.

My country strives to deepen bilateral and multilateral relations among all European countries and -- by means of dialouge and cooperation -- to reduce the elements of contention on our continent.

The proof of this endeavor is Spain's active participation in the CSCE and, in particular, in the Madrid meeting which was held in the 1980-83 period, and which made it possible to resume the -- then endangered -- process of relaxing tension. Spain sees the Helsinki conference as a harmonious entity whose three main components must be developed gradually and a parallel: security, cooperation, and human rights.

Regarding security, the final document of the Stockholm conference on confidence-building measures, which paves the way for other, more important peace initiatives, is a very important step. In this sense we welcomed with hope and expectations the resumption of the dialogue between the world's big powers in Geneva and Reykjavik, and believe that the ideas and proposals which were submitted there will result in an agreement in the near future.

Economic and trade cooperation, and cooperation in the sphere of technology and tourism creates the necessary relations which enable a more profound understanding among nations and the achievement of prosperity and peace in all 35 participating countries.

However, the issue of human rights is the foundation of the concept of understanding among nations and, even more, the foundation of the concept of security.

Only by fully respecting human rights can one build a firm and solid foundation for coexistence among nations.

Today, in the very heart of Europe, I would like to recall its intellectual and moral nature. If our small continent has succeeded in being great by its importance, then this has been to man's credit, his work, which he imprinted on his feat.

Regarding bilateral relations, our visit, which is also the first visit to Czechoslovakia by Spanish royalty, is taking place at a time when we are marking the 10th anniversary of the resumption of diplomatic relations between our two states.

During those past 10 years there have been many visits, many agreements have been signed, and foundations for mutually advantageous cooperation have been laid.

While we can regard political and cultural relations as satisfactory, economic relations must be developed to correspond to the industrial potential of our two countries. We have already started working on this, but the two countries will still have to step up their efforts.

In conclusion, I would like to express the wish and hope that this visit will contribute to deepening the understanding and cooperation between our two countries, as well as to the cause of peace, justice, and freedom in Europe and in the whole world.

In this spirit, which prevails in our determination to draw closer to the Czechoslovak people, I toast your personal happiness, the successes and prosperity of your country, and the future of relations between Czechoslovakia and Spain.

Final Meeting Held

LD101232 Prague Domestic Service in Czech 1200 GMT 10 Jul 87

[Text] A final meeting took place today in Prague Castle between Gustav Husak, president of the Republic, and King Juan Carlos I of Spain and Queen Sofia. Gustav Husak and Juan Carlos I reviewed the visit and expressed satisfaction with the results of the talks, which confirmed both sides' wish to continue to develop bilateral cooperation and contacts in all fields. The conviction was voiced that the visit will provide new stimuli for deepening the political dialogue and boosting economic and trade relations and cultural contacts between both countries, and that it will be a contribution to consolidating friendship and cooperation between Czechoslovakia and Spain in the interests of peace and cooperation in Europe and the world.

Commentary on Relations

LD111026 Prague International Service in Czech 2230 GMT 10 Jul 87

[Commentary by editor Alexander Pycha]

[Text] [Announcer] King Juan Carlos I and Queen Sofia of Spain have ended their official visit to Czechoslovakia. Our commentary of the day, written by editor Alexander Pycha, deals with the importance of the visit:

The Spanish king described his impressions of the visit to our country in these words:

[Begin Juan Carlos recording in Spanish fading to Czech translation] Although our visit was only a short one, we have been fascinated by it. We are delighted with the kindness and hospitality of our welcome by the Czechoslovak people and their leaders. We have come to realize how beautiful your country is. Here, among the historical monuments, we again remember your 1,000-year history and what it has meant for the rest of Europe. [end recording]

These words are not the first occasion on which Juan Carlos I has paid tribute to Czechoslovakia's contribution to European history, and he also gave examples of the way in which the past of both countries has frequently been intertwined. The current talks between the Czechoslovak and Spanish representatives confirmed, however, that a new chapter in the history of the two countries' relations is being written, and that unprecedented opportunities are opening up for the two countries to make a joint contribution through their work to the modern history of our continent.

Particularly positive in this context is the fact that a common standpoint on many important issues has been found by two states with different social systems and which, furthermore, belong to different military groupings. One of the stabilizing factors between Czechoslovakia and Spain is the promising development of economic, cultural, and other types of cooperation. The talks between the supreme representatives of the two countries -- Gustav Husak and Juan Carlos I -- and between Foreign Ministers Bohuslav Chnoupek and Francisco Fernandez Ordonez showed that both sides have a great deal in common, including their approach to tackling the most important international issues. It is well known that Spain takes a positive attitude to, in particular, the proposed elimination of nuclear missiles from Europe, to the nonproliferation of nuclear weapons, and to preventing the militarization of space. In addition, both countries are working to reduce elements of contention of our continent through dialogue and cooperation, and they see the Conference on Security and Cooperation in Europe as a factor for harmony which must be encouraged.

The final meeting between Gustav Husak, president of the Czechoslovak Socialist Republic, and King Juan Carlos I of Spain also confirmed that the results of the visit have lasting implications, and they will contribute to strengthening friendship and cooperation between the two countries in the interests of European and world peace and cooperation.

RUDE PRAVO: SEEING MEDIA WORK 'IN A NEW LIGHT'

AU081939 Prague RUDE PRAVO in Czech 3 Jul 87 p 1

[Editorial: "More Effectively Tomorrow Than Today"]

[Text] The Communist Party and the socialist state regard the communications media as their important comrades-in-arm in explaining and promoting the program of society's further development. This was said by Comrade Gustav Husak on the eve of the Ninth Congress of the Czechoslovak Journalists' Union when he received a delegation of Czechoslovak journalists at Prague Castle. This reception alone affirms the significance our party and state leadership attribute to the role of communications media in the life of our society.

During his meeting with the journalists Comrade Gustav Husak said that the main task confronting our communications media is to participate in the struggle to accelerate socioeconomic development, restructure the economic mechanism, deepen socialist democracy, and attain the goals set by the 17th CPCZ Congress.

It can be said that this main task was also the main topic in the deliberations of the Ninth Congress of the Czechoslovak Journalists' Union. The congress was held in a workmanlike, businesslike, democratic, and frank atmosphere, in a critical and self-critical spirit. Its agenda and its conclusions reflected the participants' responsibility and endeavor to fulfill as best they can the social mission of this significant detachment of our ideological front, a detachment which is in daily contact with millions of readers, listeners, and viewers and which exerts a strong influence on public opinion. However, this very fact is also the cause of its great responsibility.

The time of a congress is also a time of reflection, this time of reflection on how to further improve the quality of our socialist journalism in the face of such a task as the acceleration of socioeconomic development, and the restructuring and democratization of society.

From the viewpoint of new tasks and new needs we must see the work of our communications media in a new light. If we are striving to implement a new style of work throughout our life, to overcome routine and formalism, and to have everybody decide and act in an authoritative manner, then the communications media must also strive for this. The journalists will surely self-critically acknowledge that, side by side with good publicist work, there are also articles and programs which are weak, scarcely attractive, mere phraseology which is at times almost incomprehensible. Put simply, the fight for quality cannot be conducted only on the pages of newspapers, it must also be fought inside the editorial collectives. That is why the 17th CPCZ Congress stressed the need to enhance the journalists' political and a professional training, to improve the cadre structure of editorial offices, and to see to it that the communications media are staffed with people who are morally stable, who are devoted to the cause of the party and the people, and who develop the best traditions of our revolutionary journalism.

At the journalists' congress a lot was said about criticism, about access to information. At times journalists complain that -- particularly after the publication of critical material -- those whom they criticize say that they want to repeat the infamous practices of 1968; they even receive threats. [paragraph continues]

But one cannot compare what cannot be compared. The people responsible for those crisis-ridden events ceased to work in our communications media a long time ago. We believe that nobody has the right to ascribe dishonest intentions to the present generation of journalists.

This does not mean that a journalist is and must be right in everything; sometimes he can even overshoot the mark, acquire merely onesided information, get involved in a problem he does not properly understand, or fail to check all his facts properly. Quite understandably, this is not a good phenomenon, and the editorial collectives cannot remain indifferent toward such serious weaknesses in their work. But they must also have the courage to accept criticism leveled at them and rectify their mistake.

We must tell ourselves quite frankly that a society which wants to develop in a healthy manner cannot do without public criticism. The last congress of our party called upon our communications media to show greater courage in developing constructive criticism, thus helping to develop an atmosphere of high demands on the quality of work and an unappeasable attitude toward shortcomings.

We do not like many things in our life; they are justly criticized by citizens, and we must not walk around them with closed eyes and mouths. Our life still shows a lot of disorder, iniquity, antisocial behavior, unjustified enrichment. The well-known letter of the CPCZ Central Committee Presidium published last year dealing with increased efficiency in fighting violations of the principles of socialist legality, morality, and discipline continues to be a lasting manual for the staff of the communications media. In other words, criticism is part of the journalists' activity.

Let us also add that the working people are entitled to know about the measures which have been taken to rectify the shortcomings criticized; nobody may stand outside public control or claim the right to be untouchable. The public control is also carried out via the press, radio, television, and film reporting.

The Leninist principle of open politics -- or, as we sometimes call it, the flow of information to the public -- must also substantially influence the work of the communications media. Already at the 17th CPCZ Congress it was said that the leading party, economic, and other agency staff must acquire the habit of personally acquainting our public with the activities of the sectors directed by them and with the solution of their tasks, and to answer questions in which the people are interested. A little has already been done in this respect, but all this must be systematic, it must be like an open word [as published], showing the path toward redeeming all shortcomings. And, of course, not everybody is willing to embark on this path. However, the information supplied is otherwise both incomplete and unconvincing.

The Central Committee of our party devotes considerable attention to the communications media; it establishes conditions enabling them to accomplish their mission, to fulfill their duties, and to have access to the necessary sources of information. It is particularly important to make the press, radio, and television the real rostrum of a broad, democratic exchange of the working people's views and experience, to have these media cast great, systematic light on the main issues of domestic and international life and of economic and social phenomena. This is particularly urgent and topical when applied to implementing the strategy of acceleration, and to all issues of restructuring the economic mechanism and all sectors of work in our society. It also applies to such an important topic of our journalism as the enterprising and innovative spirit of our working man, this active builder and responsible manager of our society.

During his meeting with the delegation of Czechoslovak journalists, Comrade Gustav Husak said that the picture presented by our press, radio, and television is livelier than it used to be in the past and that these media are now reacting more promptly to topical issues and striving to maintain a more profound view of contemporary problems. All this represents a step forward in their activity.

Undoubtedly, the staff of the communications media feel glad at this positive appraisal, regarding it as an expression of appreciation for their work. However, at the same time they realize that they must take many more steps forward. The Ninth Congress of the Czechoslovak Journalists' Union has provided great inspiration to mobilize the creative forces of all collectives in editorial offices to cope with present and future tasks. Put simply, to work more effectively tomorrow than we are working today.

INTERVIEW ON SPREAD OF AIDS INFECTION

AU070900 Prague RUDE PRAVO in Czech 2 Jul 87 p 4

[Interview with Marie Bruckova, doctor of natural sciences, candidate of sciences, deputy head of the AIDS laboratory attached to the Institute of Hygiene and Epidemiology in Prague, and Prof Jan Sejda, doctor of medicine, doctor of sciences, and head of the chair of epidemiology at the Institute for Postgraduate Studies of Physicians and Pharmacists, and chairman of the advisory board of the Chief Medical Officer of the Czech SR for AIDS Questions, conducted by RUDE PRAVO staff journalist Zdenka Stepankova after their return from the Third International Conference on AIDS, held in Washington during the first week of June: "Individual's Sense of Responsibility Is Decisive" -- date and place not given]

[Excerpt] [Passage omitted] [Stepankova] What would you say about the situation in our country?

[Bruckova] I would like to again remind you of the words of a WHO representative that the AIDS virus knows no borders. It will not bypass our country. Thus far, we have registered in the Czech SR 55 infected persons, 14 of whom are foreign nationals. Five persons have clinical symptoms, thus they are ill and this number will certainly be augmented by others. However, we do not believe that in our country the illness will reach the dimensions it has in the Western states, because our way of life is, after all, different.

[Sejda] The health community is fulfilling its tasks. We control all blood supplies and derivates, and we also check all blood donors. To this I would like to add that checking donors is being done rather for some sort of safety, but as regards the spread of the disease, the effect will be practically nil. Thus far, the experience has been that out of one-half million checked blood donors only one is tested positive. It is helpful that the blood of donors is being checked, but the important thing is to know where the the disease threatens to spread.

[Bruckova] Our health services also have greater possibilities than the health agencies in the Western countries. Our system permits, for example, the great advantage of ordering mandatory tests for certain groups with the result that we can avoid an epidemic. [passage omitted]

FRG'S BILD REPORTS TWO YOUTHS SHOT BY SOVIETS

DW121040 Hamburg BILD in German 11 Jul 87 pp 1, 8

[Unattributed article: "'GDR': Russians Killed Youths"]

[Text] According to information obtained by BILD, Soviet soldiers in the "GDR" fired at the brothers Uwe (19) and Christian Behr (16) from the wall of the armor barracks near Fuerstenberg on the Havel river. The older one died on the spot, the younger one was bleeding to death from a thigh wound.

UWE and Christian Behr reportedly had been doing business for some time with the soldiers of the barracks. The Soviets secretly supplied them with lead plates from discarded batteries. The brothers paid with vodka, cigarettes, and foodstuffs. The deadly shots were allegedly fired because on 11 June soldiers were on duty who were not privy to the deals.

Fuerstenberg is a small town less than 100 km north of Berlin. The boys' father, a mechanic, searched for his sons for many days. He asked the authorities and the parson. At first, people said his sons were killed in an accident. Gradually the horrible truth leaked out.

Informed sources reported that the father was told the date of the funeral only a few hours prior to the funeral service on 18 June. The Fuerstenberg people felt so much sympathy with the brothers' fate that in a short time about 500 young people gathered at the cemetery chapel, many with colorful summer bouquets.

Only few people found seats in the chapel. The others demonstrated at the cemetery against the shootings. People's police and state security men turned up and pushed the mourners aside. Some people were reportedly arrested.

HONECKER CABLES FRG'S KOHL ON HERBORN ACCIDENT

AU101605 East Berlin NEUES DEUTSCHLAND in German 9 Jul 87 p 1

[Text] Berlin, (ND) -- Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council, has sent a condolatory telegram on the explosion in Herborn (Hesse) to Helmut Kohl, chancellor of the Federal Republic of Germany. It reads as follows:

Very esteemed Mr Chancellor:

I convey to you my deepfelt sympathy on the tragic accident in Herborn of 7 July 1987. I beg you to assure the relatives of the victims of my sincere sympathy. I wish the injured victims of the accident an early recovery.

Erich Honecker

general secretary of the SED Central Committee and
chairman of the GDR State Council

STATE COUNCIL RECOMMENDATIONS ON PEASANTS CONGRESS

AU060729 East Berlin NEUES DEUTSCHLAND in German 30 Jun 87 p 3

["Recommendations of the GDR State Council to the local elected assemblies for the evaluation of the 13th Peasants Congress of the GDR"]

[Text] The reports of the Ringleben and Faulenfrost village authorities on the experiences in supporting agricultural production and in shaping social life in the villages reaffirmed the resolutions of the 13th Peasants Congress that the further shaping of the developed socialist society in the GDR provides safe prospects and that productive and beautiful villages are in keeping with socialism. At the Peasants Congress the cooperative peasants and workers in socialist agriculture, following a detailed democratic discussion, have decided on measures designed to ensure the continued stable and steadily improving supply of the population with high-quality foods and of the industry with agricultural raw materials. Thus they are making their steadily growing contribution to the consistent continuation of the proven course of the unity of economic and social policy, decided on by the 11th SED Congres.

It is the locally elected assemblies' primary concern to actively contribute to implementing the resolutions of the 13th Peasants Congress. Specifically, the regional assemblies of the villages and towns belonging to a kreis, in recognition of the responsibility conferred on them by law, should choose the required measures for the further development of the villages as centers of agricultural production and rural life. In this, the following is to be observed:

1. Stable and increasing performances in the fields and barns are the responsibility of the entire village. Therefore, for the locally elected assemblies, mayors, and deputies, it is primarily a matter of utilizing the reserves available in the regions for comprehensive and lasting intensification of agriculture and to vigorously and imaginatively

-- assist the agricultural producer cooperatives, the state farms, and their cooperation councils, in fulfilling their production tasks, while cooperative peasants and workers support them in a directly democratic manner in assessing at regular intervals what has been achieved, and in swiftly deciding what is required and organizing it;

-- create favorable regional conditions for the broad implementation of the scientific-technological progress, particularly by accelerating the pace of performance development through the promotion of the application of key technologies, by multiplying the creativity of the working people and the outcome of their work, and by helping to reduce the amount of physically strenuous work, particularly that of female cooperative peasants;

-- recruit additional labor from the villages for cultivation and harvest work in the agricultural producer cooperatives and state farms, to ensure sufficient young labor through the children of the cooperative peasants and agricultural workers in their own villages, and by recalling former agricultural workers;

-- promote the initiatives of the socialist youth association "11th Party Congress FDJ Assignment" as well as the participation of young cooperative peasants and agricultural workers in the Fair of the Masters of Tomorrow, and their work in youth brigades, youth research collectives, and youth projects to a greater extent;

-- steadily increase the degree of self-sufficiency by raising the individual production of agricultural and horticultural goods, to improve the range of goods offered in the shops, at the peasants' and weekly markets the entire year, and to open up further unused residual and fragmentary areas and to exploit further possibilities to store and process the products in the villages;

-- create more small gardens for recreative and productive leisure time of cooperative peasants, workers, and members of the Union of Small Gardeners, Settlers, and Livestock Breeders;

-- make maximum use of local fodder reserves, to collect all wastes from kitchens and secondary raw materials from social institutions, households, and trade, and to make it available for salvage;

-- support the protection of nature and the efficient utilization of soil, to ensure order and security in all production spheres and lower harvest and animal losses by consistently observing the laws and regulations.

2. Efficient socialist cooperation must be part of the villages' everyday life. As never before it is important to unite all forces and means available in the villages and towns for the well-being of the citizens and steady economic performance increase. This includes

-- that the regional elected assemblies increase their influence on the further development of cooperation as the main force for the comprehensive and lasting intensification of agricultural production;

-- that all questions concerning the development of the villages are discussed in trusting cooperation between the local organs and the state power, and state farms, and agricultural producer cooperatives, and their regional departments and brigades, the local industrial and trade enterprises, the local committees and leaderships, the National Front, the Peasant Mutual Aid Association, the FDJ, and other social forces, while always taking the concerns of the people into account and seeking their advice and cooperation;

-- that the concepts for shaping the faces of the villages are exactly coordinated with the concepts of agricultural development, and that they are perfected every year on the basis of experiences that have been gained, of new tasks that have emerged, and of proposals by the citizens, and that they realize them step-by-step on the basis of long-term communal contracts and agreements and of object-related stipulations in the annual plans;

-- that the efficient utilization of all existing facilities, plants, and machines for regional rationalization measures is organized and that mutual assistance is promoted in order to tackle the tasks that can be solved through one's own efforts and through cooperation.

3. Every village should be a showcase of the industriousness of its citizens. It depends to a great extent on the commitment of the elected assemblies, mayors, and deputies whether the citizens of every town and village can impressively experience how the development of national economic performance, the improvement of working and living conditions, and the perfection of socialist democracy are directly linked with each other. Among others things, this requires

-- vigorous steps to be taken for well-cultivated fields and lovingly cared for livestock to be matched by cultivated houses and gardens, good conditions for supply, shopping and services, as well as by a lively intellectual and cultural life;

-- that the housing conditions of the citizens are further improved, particularly through modernization, renovation and construction of owned apartments while using agricultural and enterprise building facilities to a greater extent and actively supporting the youth association's actions in converting and extending living space, as well as opening up material reserves and local building material resources to an even larger degree.

-- that the appearance of the villages is friendly and clean as a result of the people's own efforts, that the citizens' initiatives in the "Join in!" drive are directed to a greater extent at the maintenance of homes and social institutions as well as at the maintenance of buildings, court yards, and installations characteristic of the villages;

-- that the possibilities of the peasants' trade cooperatives are still better exploited for providing a wide range of products for house, home, and garden as well as building materials for the population;

-- that in all villages the provision of the inhabitants with goods for everyday consumption is constantly ensured, and that a continuous supply of goods for the shops and opening hours that correspond to the local conditions and to the working rhythm in agricultural production are ensured;

-- that village trade is maintained and supported, that closed-down facilities are reopened and that the traditional trades such as those of baker, butcher, carpenter, and cartwright are promoted;

-- that the service in the sphere of health and industrial hygiene is systematically expanded, and that special care is devoted to the veterans and elder citizens;

-- that varied intellectual-cultural and sports activities in keeping with the interests that cooperative peasants and the other citizens take in village community and social life is organized in the villages and quarters of villages; that within the framework of the national economic mass initiative cultivated cultural institutions, peasants' meeting rooms, youth clubs, small sports facilitites, and village inns are provided; that cultural and artistic amateur activities are developed and rural traditions and festivities that give expression to the people's joy of living, commitment to work, and love for one's home are cultivated;

4. The bezirk and kreis days supported the local elected assemblies of the towns belonging to a kreis and villages in implementing the resolutions of the 13th Peasants Congress of the GDR. In fulfilling the tasks conferred to them by law through the local elected assemblies they decide on the required regulations and -- through exchange of experience by means of performance comparison -- exert their influence in helping to apply the findings and results of the best everywhere in a binding manner.

BRIEFS

RESEARCH COOPERATION WITH ITALY-- On Tuesday [7 Jul] in Berlin Hans Reichelt, deputy chairman of the GDR Council of Ministers and minister of environmental protection and water conservancy, and Luigi Rossi Bernardi, president of the National Research Council of the Italian Republic, held a lively exchange of information and experiences. They discussed possibilities of expanding bilateral scientific-technological cooperation in the field of environmental protection and water economy. "[Excerpt] [East Berlin NEUES DEUTSCHLAND in German 8 Jul 87 p 2 AU]

LAZAR, LIGACHEV DISCUSS MSZMP-CPSU COOPERATION

LD101128 Budapest MTI in English 1040 GMT 10 Jul 87

[Excerpt] Budapest, July 10 (MTI) -- Gyorgy Lazar held talks with Yegor Ligachev on Friday. Areas of cooperation between the HSWP and the CPSU were reviewed. Present at the talks was Boris Stukalin.

[Budapest MTI in English at 1530 GMT on 10 July adds that Ligachev, "who spent a brief holiday in Hungary on the invitation of the HSWP Central Committee, left Budapest Friday (10 July)."]

MARJAI BRIEFS GENEVA FORUM ON COUNTRY'S ECONOMY

LD021211 Budapest MTI in English 1125 GMT 1 Jul 87

[Text] Budapest, July 1 (MTI) -- Jozsef Marjai, deputy chairman of the Hungarian Council of Ministers, delivered an address at the World Economic Forum in Geneva on June 22, 1987. The full text of his speech is as follows:

I feel honoured to have the opportunity of giving an insight into the economic situation of Hungary within the framework of the World Economic Forum and brief you on our objectives and our external economic policy. The successful events organized so far by the forum have proven that the exchange of views conducted by responsible statesmen, politicians and leading businessmen on global economic issues, trade relations and business opportunities are very useful.

The future of world economy depends highly on the extent to which the system of international economic relations can be purified from the confusion of particular interests, and global responsibility be enforced by making interdependence between national economies serve the long-term interests of the whole world economy. It is this objective that guides also the Hungarian economic policy when building its external economic relations on reciprocal benefits, on an observation of standards accepted in international economic relations and free from protectionism, and on a development of relations free from discrimination.

The Hungarian economic environment and potentials are known to you. Let me remind you of the fact that the Hungarian economy is fundamentally dependent, in both its imports and exports, on world economy. 80 per cent of our demands in crude oil, 30-40 per cent in natural gas, 25 per cent in electric energy and the total demand in iron ore are met by imports. As for wood and cellulose 60-70 per cent and for chemicals 30-40 per cent of our consumption are imported. At the same time, there is practically no branch of industry that could be operated in an economic manner by supplying to the domestic market only. On the whole, some 40 percent of our national production is involved in international trade, providing the offset for imports indispensable to our economy.

In our external economic relations the CMEA countries are of decisive importance. About half of our foreign trade turnover is realized with these countries. For a relatively long time now, these countries have been meeting a major part of our energy and raw materials needs, and have provided a basic market for our manufactured industrial products on the basis of multilateral and bilateral agreements.

Within the other half of our foreign trade industrially developed countries account for about two thirds in exports and for four fifths in imports. This region plays substantial role in our economy and also the rate of increase in trade relations here exceeds the average. These countries are important markets for our food products, industrial consumer goods and chemical, metallurgical exports, and on the other hand technological equipment, licenses and know-how, furthermore components and special basic materials imported from there are indispensable for our economy.

The contribution of developing countries' is relatively low both in our exports and imports. At the same time they are important for our exports, in complete plants, in raw material imprts and they are significant areas of third market operations carried out jointly with industrialized countries.

Due to dependence on world economy, Hungary is an open country in both political and economic aspects which, beside domestic social considerations, is one of the main factors motivating our economic reforms. It was in this spirit that in 1957 we had started and in 1968 extended in a comprehensive manner the economic reform based on market mechnaism, airmed at the granting of autonomy to the enterprises.

Recently the reform process has been continuing at an increasing rate as we are convinced that this is the only proper response to the latest serious economic challenges.

Considerable measures taken recently in this context: Direct foreign trading rights may be obtained by any Hungarian enterprise the great majority of which are managed by elected enterprise councils, the activities of the Central Bank and that of commercial banks have been separated, and a bankruptcy procedure has been introduced for winding up loss-making enterprises. We have liberalized the price control, as well as the import licensing system, new monetary instruments have been introduced, we gradually bring about conditions for an operating capital market.

An unfolding of entrepreneurial behaviour has been encouraged by the creation, a few years ago, of wide-ranging relevant opportunities for small scale business and private enterprises, the latter being one of the carriers of economic growth ever since. In 1972 we had opened the country for foreign capital investments, for the establishment and operation of joint ventures in Hungary, and we have since then made those conditions much more favourable. Among others we intoruduced for some fields a tax exemption for a period of 5 years, from Jan of 1986. As a result, the number of joint ventures has risen from 45 in 1985 to 86 at present. Despite all this, according to OECD data, the 9-10 USD [U.S. dollars] per capita value of foreign capital invested in Hungary is still just 1/4 of the corresponding average (35 USD/capita) registered in countries of a similar level of development, indicating that there are still further wide-ranging opportunities to be exploited.

We continue to pursue our reform policy. The next comprehensive package will be represented by the introduction of value added tax and a unified general personal income tax, involving a wide range of price movements mostly due to the fact that the introduction of the VAT requires the removal of still exising subsidies from consumer and producer prices. This is an important step to strengthen market impact and orientation thus resulting in a more selective and more differentiated investment policy at company level.

Our economic policy is based on our Seventh Five-Year Plan adopted in December 1985, and covering the period 1986 to 1990.

The plan envisages a 15-17 per cent growth of national income in five years and makes economic growth dependent on maintaining external and internal equilibrium and on an improvement of the efficiency of production. In increasing the national income industry is to play a major role, with its value of output growing by 14 to 16 per cent at constant prices. Consumption by the population is targeted by the plan at an 8 to 11 per cent growth. In 1986 the share of accumulation within the GDP was near to 15 per cent and until the end of the period it will continue to grow, though to a minor degree. One of the fundamental goals of the plan while preserving the internal and external equilibrium of our economy is to accelerate the rate of economic growth, as a result of higher efficiency based on overall technical and technological renewal.

After 1978 Hungarian economic policy had set as top priority the redressing of the external equilibrium, consequently we achieved by a severely restrictive economic policy an increasing convertible trade surplus between 1982 and 1984, exceeding 700 million used in 1984. It is to be noted that this amount corresponds to some 25 per cent of Hungarian exports against convertible currencies. However, partly due to growth-oriented policy, from 1985 the trend of this active balance has turned downward, exports continued to expand slightly, but imports on the other hand had a steep increase, foreign trade balance in convertible currencies dropped to a fourth of its previous value, and in 1986 it turned into the negative, moreover we were unable to reach our development targets.

Which were the factors to play a major part in the above described development?

On the export side significant losses were caused by the deterioration of the terms of trade and cross-exchange rate effects, considering that the major part of our exports is contracted in terms of depreciating USD, while our purchases are mostly realized in West European currencies of strong position. Agricultural products account for nearly one third, while metallurgical and chemical products and other material-type products for about 40 per cent of the exports and world market prices of these products have been falling continuously in recent years.

Agricultural output was influenced downwards by the drought in two successive years and the regrettable event of Chernobyl also had a setback on our exports. The above-the-plan fuel purchases becoming necessary due to the extremely cold winter of 1986 likewise had a heavy toll on Hungary's convertible trade balance.

The massive growth of imports was also due to the fact that from 1984 temporary import restrictions -- introduced in accordance with the relevant rules of the GATT -- were lifted, mainly in the interest of improving the functioning of the reform, by way of enhancing import competition.

One should also consider the still prevailing obstacles, discrimination and protectionism we have to face in relation to the access to western markets concerning most of our exports. The commencement of official negotiations with the European economic community had also been hampered for along time by the fact that despite our joining the GATT in 1973, member countries belonging to the community have been continuing to impose quantitative restrictions of discriminiative character against the GATT rules and against these countries' promise.

Our exports face also a relative tariff disadvantage in all countries of the European free trade zone. Finally, the common agricultural policy of the community exercises a negative impact on our exports of this kind to traditional West European markets.

Economic growth was also reduced by the fact that since a longer time our imports from the CMEA countries have not increased at all, or only slightly -- this also limiting an expansion of trade turnover in the coming years.

There are also other major factors resulting from the deterioration of external balance: Domestic consumption has been growing faster than production thus creating an excess purchasing power and budget deficit increased considerably.

Naturally, behind objective external reasons and looser internal monetary limits we are aware of deep rooting problems of a low rate of restructuring and modernizing the production pattern.

We have already recognized inadequate adjustment to world market demand and took necessary measures, however, their positive results in the economy are just about to appear. The modernization of the product pattern is an enormous task from macro- and micro-economic aspects alike. It is necessary to respond to the changing demand of the world market in production structure; it is necessary to distinguish between temporary effects of market difficulties and the general devaluation of certain production lines by the market. In this latter case we are compelled to close down. The main targets of modernizing the production pattern of our economy are laid down in our industrial and agricultural policy papers. In Metallurgy, mining, for example, we are going to carry out a major restructuring: The aim is to update technology, increase the share of higher-grade products and a simultaneous decrease of need in manpower. In the industries of chemicals and plastics we are going to extend the production toward products of higher added value. In the industries of pharmaceuticals and herbicides the share of intermediaries, original preparations, and finished products should be increased. We are offering perferential financing for the more efficient use of materials and energy, for the use of secondary materials, and the utilization of wastes. In the engineering industry along with the development of existing production capacities in power engineering, vacuum engineering, in the production of road vehicles and their components, medical equipment, agricultural machinery, NC and CNC [expansions unknown] machine-tools and computer devices, a top priority should be given to the development of a wide range of electronic products, promoted also by central incentives.

In the light industry -- based on wide-scale international cooperation agreements -- we seek to produce export products of higher quality and of higher added value while simpler products are supplied from imports. A program for energy rationalization covering the whole of the economy is being implemented and has already brought substantial results for years, on a wide scale.

We have an advanced agriculture, however the impacts made by the world market compel us to reduce the ratio of grain and meat production that are predominant, while increasing the share of food processing industrial products in our exports.

In our economic programs, ranging from the exploration of hydrocarbons through industrial restructuring to the modernization of various domains of agriculture and transports, an important part is played by the projects financed by the World Bank.

Our policy decisions aiming at the resctructuring of the economy as well as the improvement of our adjustment to the world market shall be implemented by all means. In order to obtain that, we are ready to make the necessary modifications in the course of the implementation of our economic policy. We have definite response to the consequences of the last two years: Instead of slowing down we want to accelerate the reform process, and are determined to open our economy even further.

At present the Hungarian economy is under a multiple pressure. To ensure a higher efficiency it is necessary to continue the reform process, but at the same time the reform measures do not generate new sources in short term. The modernization of the product pattern stimulated by the reforms requires additional sources. On the other hand, for Hungary that has met always on time its payment obligations, even in the hardest periods, it will continue to remain a number one priority to manage satisfactorily its debt services, to stop the further increase of the debt.

For a longer time we have been working on a comprehensive program ensuring the proper response of the Hungarian economy to the above requirements, even at the expense of the moderation -- if necessary -- of the pace of attaining social targets.

The high-level resolutions adopted in November 1986 and April 1987 have laid down the basic principles of our new program. The governmental resolutions due to be released in the near future will provide a comprehensive program for the years 1988-1990. The deficit of the current balance of payments will be reduced by half in 1987 and it will be totally eliminated by 1988.

Some of the major preconditions of that are: a substantial reduction of the budget deficit, a strict monetary policy, the cutting of unproductive expenditure, the increase of savings, a dynamic transformation of the production pattern, and a massive expansion of the output of the profitably exportable products, we intend to promote by changes in the allocation of investment funds, by an encouragement of technological progress and by a selected expansion of international cooperation.

We intend to restrict subsidies radically, and promote the widening of the sphere of activity of efficient enterprises by a selective credit policy. It is an essential part of unfolding the economy's potentials to extend the export of processed goods, promoted by a flexible and progressive exchange rate policy and by allocation of investment resources for this purpose. Further steps are taken to involve more foreign capital in export-oriented sectors of the Hungarian economy.

The active and flexible economic policy and our persistence to improve the external balance are required also to retain confidence shown toward Hungary by the international financial community. This confidence is reflected by the relations established with the IMF as well as in the programs promoted by the World Bank. The joint establishment of Citibank's Budapest house and that of Unicbank, another banking institution formed with foreign capital participation in co-operation with IFC [International Finance Corporation], are considered by the world and ourselves as signs of trust.

In the performance of our economy certain positive signs are already visible. For example, our convertible currency earnings from tourism increased by about 20 per cent in 1986 and this trend appears to be continuous. Our tourism capacities have continued to increase, this year and next year several major international congresses will be held in Budapest.

The figures relating to the first five months of 1987 indicate a growth of industrial output of 3.5 per cent, and in agriculture the purchase of livestock also shows an upward trend.

The 8 percent devaluation of the Hungarian currency earlier this year has had favourable impacts, strengthened the esport orientation of enterprises. Convertible currency deficit of the trade balance is lower than it was last year in the same period.

The government, backed by the social organization is removing all obstacles that hinder the unfolding of a value system expressing the principle of performance on both macro- and corporate levels but in relation to individuals as well.

No doubt, the Hungarian economy is in a complex period of manifold changes. The possibilities for progress and the social-political support necessary thereto are given, and our extensive international relations likewise provide a solid background for the implementation of our programs. This period requires the strengthening and the improvement of the quality of our existing relations and offers further favourable opportunities of cooperation to traditional and new partners. At the international fora, including the Uruguay round to start soon, we will also take a stand in favour of the development of a world trade free from obstacles, and we are confident that a more appropriate system of world market conditions can be established for agricultural products. With all this, such a comprehensive system of means of world trade, free from obstacles, should be brought into existence as soon as possible which is suitable for providing a safe basis for the solution of global and regional economic problems of the future. Hungary is committing itself to contribute to this through a responsible development of its own economy and a development of its international relations on the basis of objective criteria. (June 22, 1987)

ECONOMIC PERFORMANCE RESULTS FOR JANUARY-MAY 1987

AU1O1612 Budapest NEPSZABADSAG in Hungarian 8 Jul 87 p 10

[Central Statistical Office report on economic performance for January-May 1987]

[Text] January-May 1987 (Data as a Percentage of Figures for the Same Period Last Year) [subhead]

Industrial state and cooperative enterprises

Volume of gross production value:

Industry total	103.2
within this: metallurgy	100.7
machine industry	101.7
chemical industry	107.7
building material industry	101.0
light industry	100.1
food industry	103.9
Industry, excluding food industry	103.0
Number of employees	97.9
Gross industrial product per employee	105.4
Average monthly wages per employee	105.8

Construction sector of the building industry

Production of the building industry	102.1
Number of employees	97.4
Average monthly wages per employee	105.9

Foreign Trade (at current prices)

Imports	100.8
Exports	104.5

Retail trade turnover (at current prices)		107.2
within this:	food, beverages, and tobacco	105.8
	articles of clothing	105.0
	miscellaneous industrial articles	108.9
Procurement		104.7
within this:	plant products	91.8
	live animals	108.0
	animal products	101.2

Achievement of transportation enterprises

Goods delivery (based on goods-tonnage/kilometers)	102.5
Long-distance transportation of passengers (based on passenger kilometers)	99.2

Consumer price index	106.5
Population's revenues from central sources	107.0

In the period January-May 1987, production of the industrial state and cooperative enterprises increased by 3.2 percent as compared to the same period last year. With the exception of light industry, all the main industrial sectors increased their production. Production in the energy sectors increased by 7.8 percent, faster than the average, and production in the processing industry increased more slowly than the average, by 2.2 percent; production in the basic material industry increased by 0.9 percent. Industry sold 3.6 percent more domestically and 5.7 percent more for export than in the same period last year. Industrial exports increased both in rubles and in convertible currency. The number of employees in industrial organizations dropped by 31,800, or 2.1 percent, compared to the same period last year. Per capita industrial production increased by 5.4 percent, and per hour worked by 3.7 percent.

The performance of the construction sector of the building industry increased by 2.1 percent, including a decrease in the production of the surface construction sector and an increase in the production of the underground construction and professional installation sectors as compared to the same period last year. The number of employees in the construction sector of the building industry dropped by almost 7,000, or 2.6 percent, compared to the same period last year. Per capita construction-installation activity increased by 4.8 percent.

Sales of agricultural products increased by 4.7 percent as a result of an 8-percent increase in live animal procurement and a 1.2-percent increase in the procurement of animal products. Sales of plant cultivation and garden products, which made up one-tenth of the overall sales of agricultural products, decreased by 8.2 percent. Sales of slaughter cattle increased by 3.1 percent, and sales of pigs for slaughter increased by 6.1 percent. Sales of slaughter sheep and poultry increased by more than 10 percent. As a result of the increase registered in May, the exports of agricultural products exceeded the level of the same period last year.

Retail trade turnover in current consumer prices increased by 7.2 percent, in comparable prices by 1.7 percent, compared to the first 5 months of 1986. The greatest increase was registered in the turnover of mixed industrial products, 5.3 percent in comparable prices, and the turnover of food and beverages in shops was similar to that of last year. The catering industry's turnover and sales of articles of clothing decreased. Retail trade prices increased by 5.4 percent in 5 months.

Socialist bodies spent 48.4 billion forints on investments in January-May 1987, about the same amount in current prices than in the same period last year. The amount allocated on large-scale investments was much smaller than last year (by 28 percent), and the amount allocated on enterprise investments was 3.5 percent smaller than last year. Other investments increased. More money was spent on construction investments and the domestic purchase and ruble importing of machines than in the same period last year. The investment in machines imported for convertible currency decreased.

DISSIDENTS CRITICIZE ECONOMIC PERFORMANCE

AU111425 Paris AFP in English 0012 GMT 11 Jul 87

[Text] Vienna, July 11 (AFP) -- Hungarian dissidents on Friday severely criticised the austere economic programme adopted by the Communist Party on July 2, in a telephone call to Agence France-Presse here.

Dissident leader Ferenc Koeszeg read a declaration which he said was signed by all major Hungarian dissident groups.

The declaration said the programme, which calls for a radical shake-up, "does not give an answer to socio-political questions and does not mention the political crisis which goes hand in hand with the economic crisis."

It added: "The (Communist Party) diagnosis is not sincere, and in all probability only a deterioration of living standards will result from the programme," which did not ask who was responsible for previous ill-judged economic policies.

The Communist Party said when it unveiled the programme that it aimed at "radical modernisation of the economic structure," which could not be achieved without "temporary sacrifices on the part of the population."

BRIEFS

BEIJING MAYOR VISITS -- Budapest, July 11 (MTI) -- Chen Xitong, lord mayor of Beijing, arrived in Hungary at the head of a delegation Saturday, on the invitation of Pal Ivanyi, president of the municipal council of Budapest. [Text] [Budapest MTI in English 1515 GMT 11 Jul 87 LD]

U.S. COMMERCE HEAD CITED ON JOINT TRADE PROSPECTS

AU101558 Warsaw TRYBUNA LUDU in Polish 8 Jul 87 p 2

[Text] PAP -- Richard Lesher, chairman of the U.S. Chamber of Commerce, who has been staying in Warsaw for several days now, met with journalists on 7 July to discuss prospects for Polish-American economic relations.

I came to Poland to declare that, following Poland's restoration to most-favored-nation status, our aim is to catch up with and then outstrip the former level of our trade and economic cooperation, R. Lesher stressed. We are trying to do this in various ways, and one of them is the planned publication in NATION'S BUSINESS magazine of information about Poland and about trade and investment possibilities in Poland. (NATION'S BUSINESS is the largest economic magazine published in the United States by the Chamber of Commerce, which affiliates 180,000 American firms.) We also want to stimulate the activities of the Polish-American section of the Polish-American Economic Council.

Chairman Lesher takes the view that Polish factors favoring the development of cooperation include highly skilled manpower, products of good quality, and good technologies. In addition, the ever-increasing worldwide competitiveness makes it necessary for the economies of individual countries to make changes to cope with this competitiveness. Changes in the Polish economy are positive, but one can expect even greater changes.

R. Lesher said that depriving Poland of most-favored-nation status in 1982 increased customs duties on Polish goods in the United States many times over, and in many cases threw these goods out of the U.S. market. Speaking about eventual investments in Poland as joint ventures with U.S. capital, R. Lesher stressed that the example of the "Lim" Company, which was set up not so long ago to complete the construction of the Polish Airlines' building and to include the Marriott Corporation of the United States in the operation of this building, was very important because nothing is better for cooperation as living and practical examples. I hope, he said, that this example will prove to be an incentive.

Asked about the impact of politics on economic decisions, he quoted the curbs imposed on the grain trade with the USSR by President Jimmy Carter and stressed the negative impact of these curbs on U.S. interests. No doubt politicians have learned from this and many other lessons, he said. We hope that politicians will now be less prone to make decisions involving catastrophic economic results and producing minimal political gains.

Our PAP reporter asked R. Lesher about the main difficulties in developing Polish-American economic relations. R. Lesher replied that the basic task is to overcome the results of the negative events in the recent past and to reinstate previous links. He also referred to the changed situation of capital, which means that American banks possess less money for loans. He also said that increased worldwide competitiveness caused by surplus production capacities of many industries is a significant barrier.

TOURISTS ENTERING SFRY ENCOUNTER 'DIFFICULTIES'

Customs Imposes High Duties

LD091745 Warsaw PAP in English 1442 GMT 9 Jul 87

[By PAP correspondent Zbigniew Falecki]

[Text] Belgrade, July 8 -- The difficulties encountered by Polish tourists entering Yugoslavia, especially from the Hungarian side, are increasing.

Since recently virtually every Polish traveller has to pay considerably increased customs fees for the luggage he is carrying.

The number of complaints from Polish tourists who had to pay considerable sums of money on the border or even terminate their trip and return home is rising.

Incidentally, it must be said that there were no new customs regulations concerning foreigners introduced in Yugoslavia.

It is also a fact, however, that Yugoslav customs officers are demanding high customs duties from Polish tourists, especially on the Hungarian-Yugoslav border, without practically paying much attention to their luggage.

"You cannot make an omelette without breaking eggs". The Yugoslav customs authorities frequently have to deal with travellers, who cannot really be dubbed tourists and who are virtually impossible to see from under the stacks of luggage. It is an open secret that the Yugoslav markets near to the border and those farther off are flooded with products privately brought in from Poland.

Many travellers do not mind very much if their luggage is not searched. Many of them are satisfied with the adopted solution of paying, on the average, 100 U.S. dollars customs duty per piece of luggage.

Those Polish tourists who have nothing to do with trade, but are carrying a larger amount of luggage since, for example they are going to the sea-side with a larger amount of tourist equipment go through stresses since, lined-up on the platform before the train's departure together with the 'traders', who have these difficulties calculated into the psychological costs of the trip, they feel degraded and disoriented.

Part of the tourists do not agree to pay the high customs duties, especially those calculated in such a "mass-production" way, and therefore they must turn back -- something which is happening in an increasing amount of cases.

There are also situations when Poles travelling in transit through Yugoslavia have their luggage questioned by the customs officers, who claim that the baggage will be handed over on the border to a carrier company which will then take it to the border on the other side of the country. This, of course, is also very expensive for the tourists.

Warsaw Says 'No Change' in Rules

LD111313 Warsaw Domestic Service in Polish 1005 GMT 11 Jul 87

[Text] [Announcer] Interest has recently been aroused by the question of customs regulations in Yugoslavia. Let's hear our correspodent's explanation:

[Correspondent] This is Belgrade and Tadeusz Samitowski. After the recent alarming reports in Poland on alleged changes in Yugoslav customs regulations, I hasten to inform all of you, all interested parties, fellow countrymen intending to travel to Yugoslavia that there are no changes in the regulations. Our embassy has cleared up the matter with the competent Yugoslav authorities. The rules in force here, as in other countries, apply to all arrivals, all tourists equally with one exception. In nearly every Yugoslav town, one can see tourists trading in the streets, particularly in the border area. You will not find Austrians or Japanese, or Germans among them, however. All the traders are Poles, unfortunately, and we bear the consequences. Poles, even genuine tourists, are regarded with suspicion. Customs men show particular interest in them. Of course, customs men too have their code of behavior, which they should observe. For example, they have no right -- and the Yugoslav authorities have given assurances on this -- to compel people to pay customs duty without inspecting their luggage. Neither have they the right to apply a sort of collective responsibility, for example by taking all the passengers on a bus or in a railway car on the basis of a cursory assessment of the extent of the luggage.

There are other matters also linked with this topic. Please forgive me, but I want to describe them exactly. For example, many Poles go to Yugoslavia without any means of support, on the basis of an invitation which it is obvious does not guarantee any care and protection. Finally, we should tell ourselves clearly that a country like Yugoslavia, which has its own problems, wants to earn foreign currency from tourism and does not intend to lose it to visitors. The truth is, however, that many of our fellow countrymen come here with suitcases full of old clothes and go away with hundreds and even thousands of dollars. We shouldn't wonder, then, that the bad reputation is gradually spreading to include all of us. I repeat again, though, there is no change in the regulations on customs duty at the Yugoslav border.

GLEMP VISITS ROME, SAYS RELATIONS ON 'RIGHT TRACK'

AU101448 Warsaw SLOWO POWSZECHNE in Polish 7 Jul 87 p 6

[Report by Antoni Kaplinski, SLOWO POWSZECHNE Rome correspondent: "To Thank the Holy Father for His Third Pilgrimage to the Fatherland"]

[Text] Poland's Primate Jozef Cardinal Glemp arrived in Rome on Monday, accompanied by Poznan Metropolitan Archbishop Jerzy Stroba, Episcopate Secretary Archbishop Bronislaw Dabrowski, and other Polish bishops. They were met by Jerzy Kuberski, minister plenipotentiary and head of the Group for Permanent Working Contacts between the PPR and the Holy See; Roman clergymen; and press representatives.

On the airport apron, Cardinal Glemp gave the journalists a brief interview, as follows:

Asked about the purpose of his current visit to Rome, Cardinal Glemp said: "I have come to Rome together with Archbishop Jerzy Stroba, Archbishop Bronislaw Dabrowski, and the remaining bishops to thank the holy father, on behalf of all the bishops and the entire Polish church, for that great religious event for the Polish church marked by the third pilgrimage to Poland by John Paul II. The bishops of the dioceses visited by the holy father have already done so. But at present we wish to do so on behalf of the entire Polish church and all Polish bishops because this was a great religious event for our whole church.

Asked whether talks on establishing diplomatic relations between Poland and the Holy See would now be held at the Vatican, the primate said: "Yes. A special eight-man church commission has been appointed to resolve this issue. Among its members are: Archbishop Archille Silvestrini, secretary of the Council for the Public Affairs of the Church, and Archbishop Francesco Colasuonno, nuncio for special assignments and head of the Holy See's Group for Permanent Working Contacts with the Polish Government, on the Vatican side; and Episcopate Secretary Archbishop Bronislaw Dabrowski and Poznan Metropolitan Archbishop Jerzy Stroba on the Polish side.

"I do not wish to speak on behalf of the members of the commission. I can only express my conviction that the question of establishing diplomatic relations is on the right track."

Asked to sum up the results of the holy father's recent visit to Poland from a spiritual and social viewpoint the primate stated:

"We are grateful to God that the visit by the holy father took place and that it was good, lofty, and dignified. The course of the visit and the National Eucharistic Congress was even better than we expected. As far as its spiritual aspect is concerned, the pilgrimage took place in a profound religious mood and in great calm. Unfortunately, the Western press, with its attitude that is not based on ethical principles, failed to notice this and report it to its readers. Pope John Paul II came to us as the head of the church, and the message he preached was religious teaching. Of course, this religious dimension does not exclude the social impact of the visit.

"I would like to stress once again the immense organizational effort both on the part of the church and on the part of the state, the central administration and local authorities. The liturgical preparations for individual meetings with the holy father and the spiritual preparedness of the faithful were very good. There was also a great effort on the part of all those who made it possible for the pope, his entourage, and the millions of people to move efficiently from place to place."

PRICE, INCOME OFFICIAL DESCRIBES REFORM GUIDELINES

LD012018 Warsaw PAP in English 1746 GMT 1 Jul 87

[Text] Warsaw, July 1 -- Kazimierz Ryc, head of the team for prices and incomes of the Commission for the Economic Reform has granted an interview to PAP on the directions of price policy.

Excerpts: The guidelines (for the 2nd stage of the economic reform) offered three possible variants. The first one envisages a single operation of restructuring both prices and wages to be accompanied by their simultaneous growth at the first stage.

Such an operation should be performed -- in line with this variant -- as early as 1988. We assess that price rises would range between 32-40 per cent, but in the following years they would be remarkably curbed, that is by 50 per cent in 1989 to reach a few per cent in 1990. A similar growth of populations' incomes is envisaged at the same time. Hence, the very beginning would bring a radical change in the structure of prices. First of all, the prices of goods currently subsidised would grow. Perhaps, we would manage to make essential shifts in the pay structure and eliminate the current disproportions.

Other variants presented in the guidelines do not differ principally as far as the target is concerned. The difference consists in the duration of such an operation. The second variant operation would be spread on 2-3 years, that is till 1990 inclusive, from coal, through lifting meat subsidies and abandoning meat rationing, lifting subsidies on housing economy and public transport, etc. Prices would grow by about 20 per cent in 1988, more than ten per cent in 1989, and some 10 per cent in 1990.

The third variant provides for an even greater time span of this process, while the target remains the same.

First, one must create a situation in which prices properly reflect social outlays on production, that is production costs. This is the source of the drive towards lifting subsidies. Second, we must reach market equilibrium, but not in terms of a balance between general supply and demand, but of the whole of particular balances. The thing is to bring about a balance between the supply and demand of each commodity. Third, we must take into consideration the fact that we all are exhausted with price moves, inflation, thus we must reach economic equilibrium with a minimum price rise.

Obviously, it does not mean to automatically increase pay, administratively create supplements to pay. On the other hand, the restructuring of prices and wages cannot mean too much sacrifice on the part of society.

So far, wages have been growing by about 20 percent annually. It would be desirable, then, to reduce this rate. This becomes the basic condition for reducing price increases.

The equilibrium can be recovered by production growth alone. If prices and incomes grow at the same rate, every production growth will fill a market gap or create reserves, Ryc said.

COUNCIL OF MINISTERS APPRAISES ECONOMIC PLAN 26 JUNE

AU010907 Warsaw TRYBUNA LUDU in Polish 27-28 Jun 87 p 3

[Text] PAP -- The Government Press Bureau reports: On 26 June the Council of Ministers appraised the economic situation and the implementation of the Central Annual Plan in the first 5 months of 1987 and studied the realization of obligations and decisions contracted to counter dangers to the 1987 Central Annual Plan.

In the first 5 months of this year the implementation of the Central Annual Plan was slightly in advance of the working time index, which is responsible for the fact that the dynamic of the socialized industry's production, which amounts to 2.1 percent as compared with the planned 3 percent, is of no danger to the realization of the plan's tasks. The electroengineering and fuel-energy industries achieved a dynamic of production in excess of the plan. [paragraph continues]

The lower dynamic of production in other branches of industry was primarily caused by exceptionally bad weather and the associated curbs on deliveries of raw and other materials as well as cooperative component parts. The energy intensity of the economy increased temporarily and this created fuel and energy difficulties.

Severe frost and the late spring continue to make crop cultivation difficult. The fruit harvest will suffer considerable losses. Livestock procurement continued to grow more slowly than last year, caused by efforts to trim the number of hogs to meet our feed resources. That milk procurement continued to increase since last November was a positive feature. The number of completed socialized apartments was at about the 1986 level, but the disturbing fact is that the plan stipulated a 6-percent increase. The number of apartments under construction was also smaller.

Construction-assembly plants greatly increased their production in April and May, which can help make the arrears of January and February.

The national economy's needs in transportation were met. The capacity of rail transportation continues to increase consistently, but that of automobile transportation continues to decrease.

In the first 5 months of this year foreign trade was able to greatly increase export to the two payment areas. Exports of timber, paper, chemical, food, and agricultural articles increased considerably. Imports of products from the second payment area -- mainly of chemical, electroengineering, and investment products, as well as of cereals and feed -- also increased.

In the first 5 months of 1987 average wages in the basic sectors of the economy increased much faster than planned. In some plants wages calculated as costs increased over and above the 12 percent allowed for by the Central Annual Plan. Should this trend persist to the end of 1987 then very high taxation would by law be imposed on plants for paying out excessive wages and plants would be deprived of all taxation reliefs and subsidies. Old age pensions and annuities increased by as much as 30 percent.

Under conditions of such high (25.9 percent) increase in personal incomes the relation between the availability of money and goods did not improve despite a relatively high increase in the value of goods for sale. While there are no shortages in the food market, industrial goods are in short supply.

The plants' fiscal situation improved considerably, one reason for this having been a drop in the share of cost in the value of products. At the same time, loans granted to units of the socialized economy increased considerably.

The Council of Ministers stressed the need to conserve raw materials and fuels because only then will it be possible to fully realize the production plan. It is also necessary to tighten wage and fiscal discipline, especially in plants.

The Council of Ministers studied a report on the basic data of the voivodship socioeconomic plans, on their convergence with the goals and tasks of the 1986-90 National Socioeconomic Plan, and on the identity of voivodship annual plans with the 1987 Central Annual Plan.

The session noted that the basic principles of voivodship plans accord with the goals and tasks of the National Socioeconomic and Central Annual Plans. The only exception is that the voivodship people's councils adopted lower than nationally planned production indexes for housing construction and land reclamation. Reduced ranges of new investments in voivodship plans are a positive feature.

The Council of Ministers evaluated the realization of central investments in 1986 and noted that 72 central investments continued to be realized despite upsets in the flow of construction materials. The construction of these investments continued on the whole in line with assumptions and the extent of their realization was greater than in 1985.

The session also examined a report on the 1986 implementation of investments under government orders. Last year government orders involved 120 investments, including 30 central investments and 90 investments in enterprises and budget units.

To ensure a greater effectiveness of the system of government orders, the session stressed that it is necessary to reduce the size of investments carried out under this system. These investments should primarily include those covered by the restructuring and conservation program and those jointly undertaken with CEMA countries. At the same time, the session drew attention to the fact that many investments covered by the system of government orders continue to be inadequately readied for implementation.

The Council of Ministers studied a report on the 1986 implementation of investments jointly undertaken with CEMA countries. Last year we realized on schedule three investments in cooperation with CEMA countries. During the CEMA coordination of the 1986-90 economic plans action was taken to get CEMA countries interested in implementing other investments in Poland. We signed an accord on cooperation in increasing the production potential and in completing the construction of 11 other objectives.

The Council of Ministers studied information about the state's cultural policy.

In 1982-86 cultural policy sought to maintain a broad cultural participation of all groups of society, to protect cultural heritage, and to promote patronage over creative work.

The publication of books increased considerably, and the per capita book index went up from 3.7 points in 1981 to 6 points in 1985. Compared with 1981 the publication of books for children and youngsters increased 140 percent and of belles-lettres books 158 percent. The publication of dictionary materials increased 10-fold in the same period. The 1985 government program to modernize the printing industry to improve the quality of books continues to be realized.

Efforts to protect our cultural heritage are calculated to improve the network and structure of Polish museums. In 1985 museum facilities were visited by 21 million persons, which was the highest number in the past 40 years.

Last year over Z340 million was spent by the Cultural Development Fund to promote patronage such as scholarship grants, prizes, and commissions for works. Work is continuing to sort out issues of fees and remuneration for artistic people.

Long-term efforts to reduce cultural disproportions between urban and rural areas are continuing. A program for educating young people in aesthetics has been drawn up.

The Council of Ministers adopted the decree on identity cards.

The changes seek to increase the importance and information function of identity cards.

The cards will carry information about the holder's entitlement to carry out economic activities, to run a farm, and, on request, about the holder's combatant and disability rights. The simplified entry in identity cards of information about the holder's employment in nonsocialized plants and with physical persons will be of crucial advantage. This entry will be made by the Social Security Agency and will amount to registering the person assuming employment as entitled to social security.

These measures are calculated to simplify the procedures under which citizens settle their affairs and make it possible to reduce the number of certificates that confirm the data included in the identity card. The new changes respond to the demands from both citizens and state administration.

The Council of Ministers adopted the work plan for the second half of 1987.

INTERNAL AFFAIRS ISSUES NEW RULES ON IDENTITY CARDS

AU081532 Warsaw TRYBUNA LUDU in Polish 6 Jul 87 p 7

[Text] The Council of Ministers' decree on changes in the present identity card regulations went in force as of 1 July.

The changes increase the importance of the identity card and strengthen the principle that the identity card should be regarded as the basic and often adequate document used by citizens when settling their various affairs in government offices.

As your PAP correspondent was told by the Social and Administrative Department of the Ministry of Internal Affairs, first, new regulations simplify the issuance of identity documents -- the regular identity card and the temporary identity card. Citizens applying for these documents will no longer have to submit abbreviated copies of the documents issued originally by the official registrar because such copies will be obtained by the office to which citizens take their business. This will be the case with first issuing identity cards, exchanging cards, and issuing new cards to replace those lost.

The body that receives citizens' applications for identity cards will verify the data on applications by consulting the applicants' personal record cards. If the data shows inconsistencies, the appropriate office will carry out verification procedures.

Second, the information function of identity cards will carry official information on current or previous economic activities, as well as on current and [as published] former farming activity. Entries on national military service in civil defense or in the substitute military service for draftees will, obligatorily, be made by the military commanders of military recruiting stations.

Entries about private economic activities will now cover all kinds of such activities allowed by law and pursued on the strength of registration documents, permits, and so on. This involves not only artisan and trade activities but, for example, transportation, design, and other services as well.

Such entries will be made by the body empowered to issue permits for such activities. If such permits are issued by top agencies of the state administration, say, the Ministry of Culture and Art, or by the minister-head of the Maritime Economy Office, the subordinate local bodies -- the Culture and Art Department of the Voivodship Office and the local Maritime Office -- will make the necessary entries.

The Council of Ministers decree makes possible entries about employment in the nonsocialized workshops without legal status and about employment in foreign companies operating in Poland. Such information would be recorded by the branches of the Social Security Agency during the registration for insurance fee payments. Local employment offices would no longer make such entries.

At the citizens request, identity cards will carry information about, say, serious diseases that might endanger lives, about entitlements to veteran's benefits, about group I or II disabilities, and about benefits for young people included under group I disabilities.

TRYBUNA LUDU REPORTS LEADER APPEARANCES 10-16 JUNE

AU231330 [Editorial Report] Warsaw TRYBUNA LUDU in Polish from 10 through 16 June reports the following appearances of Polish leaders (date and page number in parentheses):

On 10 June Premier Zbigniew Messner received leaders of the National Union of Consumer Cooperatives to discuss improvements in the cooperatives' performance. (11 June, page 2)

On 11 June Politburo candidate member Janusz Kubasiewicz attended a meeting of the Executive Body of the PZPR Committee in Warsaw to discuss the housing building program in Warsaw Voivodship. (12 June, page 7)

On 13 June Zbigniew Michalek, PZPR Politburo member and Central Committee secretary, attended the Opole joint plenum of the PZPR and the ZSL Voivodship Committee to discuss the implementation of the food program.

On 15 June Premier Zbigniew Messner met leaders of the Council of the Gardening and Beekeeping Cooperatives' Center to discuss assistance for these cooperatives. (16 June, page 2)

On 15 June PZPR Politburo candidate member Stanislaw Bejger chaired a session of the Central Committe Maritime Commission to discuss the protection of the maritime environment. (16 June, page 2)

On 15 June Politburo member Kazimierz Barcikowski received leaders of the Lawyers' Chief Council to discuss current work of the council. (16 June, page 2)

FURTHER REPORTAGE ON VISIT BY TURKEY'S HALEFOGLU

Dizdarevic-Halefoglu Final Talks

LD102031 Belgrade TANJUG Domestic Service in Serbo-Croatian 1705 GMT 10 Jul 87

[Text] Belgrade, 10 Jul (TANJUG) -- Official Yugoslav-Turkish talks at foreign minister level ended this afternoon in Belgrade with consideration of bilateral and multilateral relations in the Balkans and other current international questions of joint interest to the two countries.

The attention of Raif Dizdarevic, federal secretary for foreign affairs, and his guest Vahit Halefoglu, minister of foreign affairs of Turkey, focused mostly on multilateral cooperation in the Balkans and the Yugoslav initiative for the holding of a meeting of foreign ministers of the Balkan countries.

The Yugoslav side welcomed Turkey's positive attitude to the convocation of this conference, which it was said would be of great significance for the development of those concrete forms of multilateral cooperation in this region in which there is joint interest.

During the exhaustive exchange of views it was agreed that intensive consultations between Yugoslavia, Turkey, and other Balkan countries continue with the aim of reaching agreements on all relevant questions that would be on the agenda of the Balkan ministerial conference and ensuring its success.

The two ministers also talked about the consolidation of peace and security and promotion of cooperation in Europe, within the framework of the CSCE, and also about the Mediterranean region and the existing hotbeds of crisis. International economic problems were also on the agenda of today's exchange of views.

Vahit Halefoglu, minister of foreign affairs of Turkey, conveyed an invitation from Prime Minister Turgut Ozal to Branko Mikulic, president of the FEC, to visit the Republic of Turkey in the latter half of this year.

Today's final talks between Dizdarevic and his guest were held in two "rounds". The two ministers yesterday exchanged views on bilateral issues, focusing on the need for expanding economic relations, as this is in keeping with the needs, desires, and possibilities of both countries. Once again the two sides reaffirmed the importance of the continuing dialogue at the high and highest political levels for the comprehensive development of friendly Yugoslav-Turkish relations.

Vahit Halefoglu ends his 3-day official visit to Yugoslavia tomorrow.

Discusses Relations With Mojsov

LD110934 Belgrade TANJUG Domestic Service in Serbo-Croatian 0702 GMT 11 Jul 87

[Text] Belgrade, 11 Jul (TANJUG) -- Yugoslavia and Turkey attach exceptional importance to the development of mutual relations and cooperation and have an interest in constantly investing fresh efforts to this end, stressed Lazar Mojsov, president of the SFRY Presidency, and Turkish Minister of Foreign Affairs Vahit Halefoglu. Mojsov received the eminent guest from Turkey in the White Palace in Belgrade at the end of the latter's 3-day official visit to Yugoslavia.

The two sides particularly stressed the importance of comprehensive promotion of bilateral economic cooperation, from the expansion of the overall volume and an improvement in the structure of trade to the development of higher forms of economic cooperation -- specialization, industrial cooperation, joint investment, and activities in third markets.

Mojsov and Halefoglu said in this context that visits such as this one, at summit and top political levels, visibly contribute to such development of friendly relations between the two countries.

There was also discussion of certain topical international issues, with the emphasis on the latest initiatives in the area of disarmament that significantly contribute to the improvement of relations between East and West, the reduction of general tensions in the world and the opening up of prospects for the peaceful solution of crisis centers.

In the part of the talks on the situation in the Balkans, in the framework of an examination of the Yugoslav initiative for holding a meeting for foreign ministers of the Balkan countries, the importance of this was stressed and the need was noted for Yugoslavia to continue bilateral consultations as part of the preparations leading to the successful realization of this initiative.

Also taking part in the talks were Raif Dizdarevic, federal secretary for foreign affairs, Yugoslav Ambassador in Ankara Vladislav Jovanovic, and Turkish Ambassador Mustafa Aksin.

Meets With Mikulic, Departs

LD111203 Belgrade TANJUG in English 1040 GMT 11 Jul 87

[Text] Belgrade, July 11 (TANJUG) -- Bilateral cooperation and topical questions pertaining to international, especially Balkan relations were the topics of today's talks between Yugoslav Premier Branko Mikulic and Turkish Foreign Minister Vahit Halefoglu.

Assessing Yugoslav-Turkish relations as developing successfully, Mikulic and Halefoglu pointed out the need to expand economic relations and assessed that significant scopes exist for the development of scientific-technological cooperation, especially in the framework of the "Eureka" program.

Exchanging views on international economic relations, Mikulic and Halefoglu agreed on the necessity for an early opening of a north-south dialogue aimed at resolving the debt problem and improving the position of the developing countries.

Halefoglu delivered to Mikulic Turkish Premier Turgut Ozal's invitation for him to visit Turkey in the second half of this year.

Turkish Foreign Minister Halefoglu left Belgrade today after a three-day official visit to Yugoslavia.

With his host, Yugoslav Foreign Secretary Raif Dizdarevic, he discussed the promotion of comprehensive friendly relations between the two countries, cooperation in the Balkans, and a number of topical international questions of significance for the two countries. During his visit to Yugoslavia, Halefoglu was received by Yugoslav State Presidency President Lazar Mojsov.

Comments on Conference Proposal

TA101735 Ankara Domestic Service in Turkish 1000 GMT 10 Jul 87

[Text] Foreign Minister Vahit Halefoglu has said that a conference of Balkan countries will be beneficial if it takes the characteristics of each country into consideration and complies with the principles of the Helsinki Final Act. Halefoglu, currently continuing his official contacts in Belgrade, was received by SFRY Prime Minister Branko Mikulic.

In a statement to Turkish radio and television after the meeting, Halefoglu noted that the proposal to convene a Balkan conference, which Yugoslavia previously submitted to the various Balkan countries by letter, was discussed for the first time. Pointing out that Turkey believes in the benefit of cooperation among Balkan countries, Halefoglu noted, however, that this should be realized without neglecting the particular characteristics of each country. He said: Balkan cooperation must be conducted in line with the principles secured and stipulated in the Helsinki Final Act. The foreign minister recalled that of the Balkan countries, Turkey and Greece are members of NATO, Bulgaria and Romania are part of the Warsaw Pact, while Yugoslavia is a member of the Nonaligned Movement, and Albania is not part of any bloc. Halefoglu continued: The proposal consists of the participation of all six countries. Various preparatory meetings and contacts are necessary to achieve this.

Commenting on the official talks held in Belgrade, Halefoglu explained that the sides determined that there are no political problems between the two countries; however, the targeted $10-million volume of bilateral trade has not yet been reached. He noted that attaining this target figure will benefit both countries, adding that the two sides observed that a significant progress was registered in economic and cultural relations.

Halefoglu remarked that during his meeting with the SFRY prime minister he conveyed Prime Minister Turgut Ozal's good wishes to Mikulic and an invitation to visit. Pointing out that Mikulic accepted Ozal's invitation with pleasure, Halefoglu said that concrete projects beneficial to both sides may emerge from a meeting between the two premiers. Halefoglu will be received by SFRY President Lazar Mojsov this evening.

UN SECRETARY GENERAL ENDS 3-DAY VISIT 12 JULY

LD121746 Belgrade TANJUG in English 1613 GMT 12 Jul 87

[Text] Zagreb, July 12 (TANJUG) -- United Nations Secretary-General Javier Perez de Cuellar ended his three-day visit to Yugoslavia today and departed for the U.N. Headquarters in New York. He was seen off at the Zagreb Airport by Yugoslav Presidency member and president of the Universiad '87 organizing committee Josip Vrhovec and other high officials.

During his visit, Perez de Cuellar met with Yugoslav Presidency President Lazar Mojsov, Foreign Secretary Raif Dizdarevic, participated in the marking of the birth of the 5-billionth inhabitant of the world and directed a message to the youth. He also visited many of the Croatian capital's cultural monuments and the university games.

KOMUNIST CONDEMNS ALIA FOR ATTACK ON SFRY

LD131309 Belgrade TANJUG in English 1125 GMT 13 Jul 87

[Text] Belgrade, July 13 (TANJUG) -- The weekly organ of the League of Communists of Yugoslavia, KOMUNIST, strongly condemns Albanian head of state and party leader Ramiz Alia for his recent gross attack on Yugoslavia and interference in its internal affairs.

KOMUNIST writes in its latest issue that from the rostrum of the (?trade union) congress Alia launched claims that the Yugoslav Autonomous Province of Kosovo was "in quarantine" and that Yugoslavia was "enticing the superpowers to the Balkans."

Rejecting Alia's claims as fabrications made in the vein in his teacher Enver Hoxha, KOMUNIST writes that what bothers the Albanian leader is the fact that Yugoslavia has launched a decisive struggle to stabilize conditions in Kosovo, which were partly sponsored by Albania's "internationalist and peaceloving" policy.

Albania is also bothered, KOMUNIST notes, because Yugoslavia has, in accord with the principles of its nonaligned policy, launched significant initiatives on the field of foreign policy -- in the interests of good-neighbourliness, peace, cooperation and development in the Balkans.

Commenting on Alia's statement that Yugoslav-Albanian relations were unresolvable and that it was wrong to hold rash discussions on national minorities, KOMUNIST reiterates that Yugoslavia has been trying for decades to resolve this issue with Albania in principle, but that Tirana has remained silent.

"Yugoslavia has always stressed that national minorities should be bridges on friendship and it is the least to blame if such a bridge does not exist, because building is done only by one side while the other is dismantling what has already been built," KOMUNIST writes.

In this context the weekly notes that Tirana has twice broken off negotiations on a Yugoslav-Albanian cultural, scientific and technical cooperation agreement. On both occasions, it adds, Albania was bothered by Yugoslavia's demand for "the reaction of possibilities for cultural cooperation with the sections of Yugoslav nations living in Albania as national minorities."

INFLATION 'HIGH,' FEC EXTENDS PRICE CONTROLS

AU101629 Belgrade Domestic Service in Serbo-Croatian 1300 GMT 10 Jul 87

[Text] The validity of the price control decision has been extended until 15 September. The FEC informed the SFRY Assembly to this effect. This measure is justified by the extemely high rate of inflation which in the first 5 months this year reached 117.7 percent. This is the highest rate of inflation since the war. Olivija Rusovac reports:

Although the validity of the price control decision has been extended until 15 September, it is not cetain when a broader price liberalization process will begin. It proceeds from the FEC statement that this problem is still to be considered.

The high growth of prices in the past 5 months confirms that the basic goal of the economic resolution for this year is not being attained. Retail prices increased 38 percent, the prices of services over 48 percent, and the cost of living over 38 percent. As the FEC admits, the rate of inflation is the highest since the end of the war.

Since the situation in the market is not encouraging as regards the rise of prices, all the forms of price control will continue to remain in force. The FEC will determine the ceiling price for natural gas, crude oil and oil products, wheat flour and Type-850 bread, sugar, edible oil, electricity, and coal. The Federal Price Institute will give its consent to the prices in iron and steel, basic chemicals, detergents, medicines, milk, children's clothes, footwear, and other goods. Some production materials and consumer goods will be subject to obligatory registration of intended price increases.

Although the validity of the direct price control measures has been extended, the range of products whose prices are formed by the market have been considerably increased. The prices of such industrial products have increased almost 41 percent, while the prices of controlled goods have increased at a slower rate of 31.5 percent.

The FEC submitted to the SFRY Assembly a draft amendment to a decision that refers to the foreign exchange losses arising after certain foreign loans have been granted. It is a matter of providing an additional sum of 8.8 billion dinars that is needed to cover the foreign exchange losses on loans taken for the construction of the Kavadarci chemicals industry. The sum of 8.8 billion dinars will be provided by a higher share in the revenue accruing from customs duties and other import taxes. The FEC explains that these funds will not be provided from the federal budget. In this way, foreign exchange losses totaling over 216 billion dinars on certain foreign loans will be covered in this year alone.

BRIEFS

SERBIAN COURT JUDGE -- Dr Arpad Horvat, hitherto president of the Vojvodina Constitutional Court, was elected as the new president of the Serbian Constitutional Court at a joint session of all three chambers of the Serbian Assembly. [Summary] [Belgrade POLITIKA in Serbo-Croatian 24 Jun 87 p 7 AU]

NEW SERBIAN OFFICIALS -- Tomislav Stavljanin, hitherto president of the Electoral Commission of the Presidium of the Serbian SAWP Republican Conference, has been elected the new Serbian public defender. Ljubisa Zaric, the current public defender, is retiring. Predrag Todorovic, hitherto secretary general of the Serbian Assembly, has been elected the new deputy republican secretary for internal affairs, while Vladeta Popovic, deputy secretary general of the Serbian Assembly, was elected as the new secretary general. [Text] [Belgrade POLITIKA in Serbo-Croatian 24 Jun 87 p 7 AU]

MOSLEM LEADER'S DEATH -- Reis ul Ulema Hadzi-Naim Efendija Hadziabdic, supreme head of Yugoslavia's Moslem community, died in Sarajevo. For his active role in promoting principles of good intranational relations Marshal Tito decorated him with the Order of Brotherhood and Unity. [Summary] [Belgrade BORBA in Serbo-Croatian 4-5 Jul 87 p 6 AU]